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IN THE UNITED STATES PATENT OFFICE

Inventor:

Stephen Michael REUNING

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09/897,826

Examiner:

Samuel G. RIMELL, Esq.

Art Unit:

2175

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Honorable Commissioner of Patents Box - Appeal Brief Washington, DC 20231

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APPEAL BRIEF

This APPEAL BRIEF is submitted in response to the 21 Oct. 2002 OFFICE ACTION.

1 REAL PARTY IN INTEREST

The real party in interest is the applicant inventor.

2 RELATED APPEALS AND INTERFERENCES

There are no related appeals nor interferences which will directly affect nor be directly affected by nor have a bearing on the Board's decision in this appeal.

3 STATUS OF CLAIMS

Claims 1-19 are pending. Claims 4-5 stand objected to. Claims 1-3 and 6-19 stand twice rejected.

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4 STATUS OF AMENDMENTS

There are no pending claim amendments.

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5 SUMMARY OF INVENTION

5.1 The Prior Art

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This invention relates to headhunting on the internet.

The prior art includes various data bases where job openings can be listed and candidates can submit resumes. This art includes non-computer art, such as newspaper and radio help-wanted classifieds. The prior art also includes computer systems like internet based job-opening or resume databases. Examples include Jeffrey C. TAYLOR, United States Letters Patent No. 5,832,497 (3 Nov. 1998). The computer-based art, however, functions simply as an electronic analog of newspaper classified advertising, advertising job openings and accepting resumes. The prior art requires a potential candidate to search for job openings (in the newspaper classifieds, for example, or the internet), write a resume, and then submit the resume to a newspaper or internet site for storage in a data base and review. Potential candidates, who do not do this, do not show up. Thus, employers never get a chance to consider them.

This is unfortunate, because the very best candidates often are not constantly seeking employment, and thus never get considered when a particular job becomes available. These candidates will not necessarily search the information posted in the employment classified ads, nor the various internet job sites. Further, because these potentially excellent candidates may not be actively seeking employment, they may not have a resume.

The claimed invention solves this problem. Rather than forcing a candidate to actively seek employment, the claimed invention can actually search for and find potential candidates – even candidates who are not actively seeking employment, and do not have a resume. That's why Mr. REUNING calls his invention a "candidate chaser" – it chases good talent down, rather than waiting for good talent to find it. Thus, in contrast to the prior art, the claimed invention dispenses entirely with the requirement for a resume, a resume database, and a user interface required to ease resume entry into the database. Unlike the prior art, the claimed invention can work without these structures at all.

How the claimed invention does this, is summarized in the SPECIFICATION at page 5, lines 2-13. The invention (a) locates Internet web postings that contain operator specified keywords (e.g., Boolean search terms); and (b) from those web postings, extracts the e-mail address, so that

(c) an e-mail may be sent to the extracted e-mail address, advertising a given specific job opening. The claimed system does not require candidates to post resumes. Rather, the claimed system can "review[] data contained on Internet web sites, newsgroup postings and other data sources that may exist ... on the net." Specification at 5, lines 16-21.

The process is described in the claims. Claim 1 reads:

- 1. A system for locating an individual with specifically defined professional qualifications, the system comprising:
 - a. a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications, and
 - b. an e-mail address extractor that can extract an e-mail address from said web page.

Thus, the claimed invention entails two elements - a filter and an e-mail address extractor. These elements are put together to make a novel combination. This new combination achieves a result qualitatively different than that achievable using prior art approaches.

5.2 Conclusion

The six year prosecution of this case has addressed dozens of patent and non-patent references. *See* REUNING, S.M., U.S. Letters Patent No. 6,381,592 (copy attached). The Office has concluded that the most-relevant reference is Jeffrey C. TAYLOR, U.S. Letters Patent 5,832,497.

The Office reviewed TAYLOR and said that TAYLOR does not teach an e-mail address extractor. Reasons for Allowance at 2 (29 June 2001). The Office also reviewed the claim language and found it statutory. Based on this, the Office allowed the parent patent application.

Now, in reviewing this continuation application, the Office seeks to contradict its earlier factual findings. The 21 October 2002 OFFICE ACTION rejects the claims over TAYLOR, and rejects claim language as vague.

These rejections *should* be reversed because they are factually incorrect. Furthermore, the rejections *must* be reversed as a matter of law, because they are illegal.

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6 ISSUES

6.1 The Issues Presented

The issues presented in this case fall into two classes: issues relating Section 112, second paragraph, and issues relating to TAYLOR.

5 6.1.1 Section 112 Issues

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Whether issuing a parent patent constitutes a finding that the claim terms used are not vague under 35 USC 112, second paragraph, when those claim terms are copied into a continuation application?

Whether granting a PETITION TO MAKE SPECIAL based on "rigidly comparing" the application claim to an allegedly infringing device, is a concession that the claim is clear enough to "rigidly compare" to an allegedly infringing device, and therefore not vague under 35 USC 112, second paragraph

Whether rejecting a claim over prior art is a concession that the claim is clear enough to compare to the prior art, and therefore a concession that the claim is not vague under 35 USC 112, second paragraph?

Whether a claim can be rejected under Section 112, second paragraph where the Office Action does not propose any "improved mode of definition" for the disputed claim term?

Whether the OFFICE ACTION has pled a *prima facie* case that the claim terms "advanced natural language screening technology" and "as many linking levels as desired" are vague?

20 6.1.2 Prior Art Issues

Whether issuing a NOTICE OF ALLOWANCE reciting specific factual reasons for allowance precludes the Office from later contesting those facts?

Whether TAYLOR teaches "a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications"?

Whether TAYLOR teaches "an e-mail address extractor that can extract an e-mail address from said web page"?

Whether a claim may be rejected based on a reference not of record?

Whether a claim may be rejected based on unsupported "Official Notice"?

6.2 The Reference Relied on by the Examiner

The Examiner relies on Jeffrey C. TAYLOR, United States Letters Patent No. 5,832,497. TAYLOR teaches a "system for posting job advertisements which includes a search mechanism and which allows applicants to submit, via on-line access, resumes and apply for the jobs." <u>Id.</u> at col. 1, lines 8-11. TAYLOR teaches using two databases: a job-opening database, and a resume database:

The system manages a data base of job postings. Each posting is stored in a job record, and the system is capable of searching on a plurality of keys in the job record to identify a job suitable to a particular applicant. The system then facilitates creation of a resume record and designation of a resume record for an accessible resume base or a selected job record. Finally, the system permits query of a resume base in order to identify recruitment candidates for job positions.

<u>Id.</u> at Abstract. TAYLOR is newspaper classified advertising put on-line. TAYLOR requires an on-line <u>job opening data base</u>, requires the applicant to <u>review this data base</u>, and requires the applicant to <u>submit resume data</u> to a resume database. The claimed invention does not.

Further, TAYLOR does not teach a filter not an e-mail address extractor. The Office said so:

This invention teaches the combination of comparing text against professional qualifications and electronically extracting e-mail addresses when those qualifications are met.... Taylor only performs the comparison of text and does not suggest any extraction step involving e-mail data. There is no evidence that it would have been obvious to modify Taylor to perform extraction of e-mail addresses.

REASONS FOR ALLOWANCE at page 2, ¶ 3 (29 June 2001) (copy attached). The Office now argues that the Office's own factual finding should be binding on the Applicant, but not binding on the Office. This argument is creative, but is not new— the Supreme Court has already addressed this issue, and said it is illegal.

7 GROUPING OF CLAIMS

The claims are each separately patentable, as explained in the following Argument.

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8 ARGUMENT

We address the 35 USC 112 issues first. Second, we address TAYLOR.

9 THE 112 SECOND PARAGRAPH REJECTIONS

Claims 9-12 and 16-19 stand rejected under 35 USC 112, second paragraph. The OFFICE ACTION argues that the terms "natural language screening" and "as many linking levels as desired" are vague.

These rejections *must* be reversed, because the Office has already found these terms statutory. The rejections *should* be reversed, because they are factually unsupported.

9.1 The rejections must be reversed because the Office has already conceded the disputed terms are not vague

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The rejections must be reversed because the Office has already found the disputed terms statutory. The immediate application is a continuation of U.S. Letters Patent No. 6,381,592 (copy enclosed). The '592 patent contains the claim term "natural language screening." This claim term is statutory, because it is recited in issued patent claims. Because this language was found statutory in the '592 patent, the Office cannot now object to it in the continuation application.

Furthermore, Applicant filed a Petition To Make Special based on infringement. The Petition notes that the infringing system "uses advanced natural language screening technology." Petition To Make Special at 4, line 6-7 (15 Feb. 2000) (copy attached). In reviewing the Petition, the Office reviewed "a rigid comparison of the alleged infringing device, product or method with the claims of the application." Decision on Petition To Make Special ¶ 2 (22 Mar. 2000) (emphasis added) (copy attached). A "rigid comparison of the claims" requires, de jure, that the claims be clear. See, e.g., In re Steele, 305 F.2d 859 (C.C.P.A. 1962) (claims cannot be compared to prior art references based on a speculative claim interpretation). Here, because the Office granted the Petition, the Office conceded that the claim language is not vague.

9.2 The rejections are factually unsupported

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The Office bears the burden of establishing a *prima facie* case that the disputed terms are vague. The Office has not done this. To the contrary, the OFFICE ACTION explains the clear meaning of the disputed terms. In so arguing, the OFFICE ACTION establishes a *prima facie* case that the terms are clear.

The Office Action says the phrase "as many linking levels as desired" means "encompass one level, multiple levels, or no levels at all." Office Action at 2 (12 June 02). The Office Action says this "is broad enough to allow for extraction of e-mail from zero linking levels." Id. at 3. This is correct. Similarly, the Office says that in natural language searching, "the keywords are natural language, the iterative search engine performs its query processing based on a processing of natural language." Id. at 3. This is correct. The Office Action thus establishes a *prima facie* case that the disputed terms are clear – not vague.

Furthermore, the uncontroverted factual record in this case shows that the phrase "advanced natural language screening technology" is understood in the art. For example, the web-site for WebHire, Inc. says "It uses *advanced natural language screening technology* to filter out non-relevant information, while uncovering the resumes other research tools miss." *See* PETITION TO MAKE SPECIAL at page 4, line 6-9 (italics added). This evidence shows the phrase is understood in the art. This evidence - the *only* on-point evidence of record - shows that the phrase is understood in the art.

Furthermore, as part of establishing a *prima facie* case, the Office bears the burden of proposing alternative language which would be more clear than the disputed term:

In cases where a sound rejection on the basis of prior art which discloses the "heart" of the invention (as distinguished from prior art which merely meets the terms of the claims), secondary rejections on minor technical grounds should ordinarily not be made. Certain technical rejections (e.g. negative limitations, indefiniteness) should not be made where the examiner, recognizing the limitations of the English language, is not aware of an improved mode of definition.

MANUAL PATENT EXAM. PROC. § 707.07(g) (2001). Here, the OFFICE ACTION does not propose any "improved mode of definition." Because the Office has not even suggested an "improved mode," the indefiniteness rejection "should not be made." <u>Id</u>.

The Office Action itself, and the only evidence of record, show that the claims are clear. The Section 112 rejections should thus be withdrawn.

10 THE REJECTIONS OVER TAYLOR

Claims 1-3 and 6-19 stand rejected over TAYLOR. These rejections must be withdrawn, because the Office has already found TAYLOR does not anticipate the claims. These rejections should be withdrawn, because they are factually unsupported.

Claim 1 reads, "A system . . . comprising: a. a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications, and b. an e-mail address extractor that can extract an e-mail address from said web page" (emphasis added). Claim 1 thus requires both a filter and an e-mail address extractor. TAYLOR has neither.

10.1 TAYLOR does not teach a "filter

that can search a web page"

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Claim 1 requires, "a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications." TAYLOR teaches identifying professional qualifications. TAYLOR does not, however, do this with "a filter that can search a web page." Rather, TAYLOR teaches doing this by having the job applicant submit their professional qualifications into a searchable resume database. Taylor explains:

The resume base (105) is an electronically stored database. The resume base is a collection of resumes stored in electronically readable memory. The resume records will advantageously include fields specifying name, address, telephone number, E-mail address and narrative fields.

<u>Id.</u> at col. 5, lines 30-35. TAYLOR thus requires the job applicant to enter their professional qualifications in a resume database. TAYLOR thus requires a potential candidate to <u>write a resume</u> and then <u>submit the resume</u> for <u>storage in a data base</u>. Potential candidates who do not do this, do not show up in the database.

For any job opening, however, many potentially excellent candidates may not be actively seeking employment when the job becomes available. Because these potentially excellent candidates may not be actively seeking employment, they may not circulate their resumes

widely, if at all. Thus, employers never get a chance to consider these candidates. This is unfortunate, because the very best candidates often are not currently seeking employment, and thus never get considered.

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The claimed invention solves this problem. Rather than forcing a candidate to actively seek employment, the claimed invention can search for and find potential candidates — even candidates who are not actively seeking employment, and do not have a resume prepared at all. That's why Mr. REUNING calls his invention a "candidate chaser" — it chases good talent down, finding good talent by searching the web, rather than waiting for good talent to find it. The claimed invention can do this because it has "a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications." Thus, the claimed invention dispenses entirely with the requirement for a <u>written resume</u>, a <u>resume data structure</u>, and <u>a user interface</u> required to ease resume uploading into the database. Unlike TAYLOR, the claimed invention can work without these structures at all.

The Office Action alleges that in TAYLOR "the iterative search engine (106) locates a web page." Office Action at 3, line 8 (12 June 2002). This is baseless speculation.

TAYLOR teaches an iterative search engine (element 106). The search engine (106) handles queries to the resume and job-opening database. TAYLOR explains:

The system will also include an iterative search engine 106 which handles queries to the *resume and job data base*. . . . The resume management / job management module 104 and the iterative search engine 106 may be implemented through commercially available *database management systems*.

TAYLOR at col. 4, lines 6-14 (italics added). Element 106 searches a *database*. Element 106 does not search *web pages*. Nothing in TAYLOR says it does. Therefore, element 106 is not "a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications." Because TAYLOR does not teach this, TAYLOR cannot anticipate the claims.

10.2 TAYLOR does not teach an

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"e-mail address extractor"

Taylor teaches obtaining e-mail address by having job applicants enter them into the resume data base. Taylor explains:

The resume base (105) is an electronically stored database. The resume base is a collection of resumes stored in electronically readable memory. The resume records will advantageously include fields specifying name, address, telephone number, E-mail address and narrative fields.

Id. at col. 5, lines 30-35. TAYLOR thus requires the job applicant to enter their E-mail address (together with their name, address and telephone number) in a resume base. Potential candidates who do not do this, do not show up in the TAYLOR resume base. This is why the Office conceded that TAYLOR does not teach extraction of e-mail addresses from web content (nor anywhere else):

This invention teaches the combination of comparing text against professional qualifications and electronically extracting e-mail addresses when those qualifications are met.... Taylor only performs the comparison of text and does not suggest any extraction step involving e-mail data. There is no evidence that it would have been obvious to modify Taylor to perform extraction of e-mail addresses.

REASONS FOR ALLOWANCE at page 2, ¶3 (29 June 2001) (copy enclosed).

Now, however, the Office seeks to reverse position. This is illegal, because the Office is bound by its own prior decision. <u>In re Lundberg and Zuschlag</u>, 126 USPQ 412, 414 (CCPA 1960) (copy attached) ("patentability over the prior art is not reconsidered as a virgin problem. On the contrary, the prior decision stands, right or wrong, for all disputed issues there decided.").

10.2.1 Collateral Estoppel

Collateral estoppel¹ arises when an issue of fact is litigated to a final judgment, and that fact is essential to the final judgment. Collateral estoppel applies to Patent Office proceedings.

30 The Supreme Court says so:

While the rules that govern the finality and conclusiveness of adjudications at the common law do not apply, in the strict sense, to administrative or quasi-judicial

¹ Collateral estoppel, also called "issue preclusion," is a species of "res judicata."

action in the Executive Departments of Government, yet in administrative action, as well as in judicial proceeding, it is both expedient and necessary that there should be an end of controversy. Sometimes, the element of finality is inherent in the nature of the action taken; as, for example, when letters patent have been granted, they may not be recalled, and the rights of the parties holding them again investigated. Where rights have become vested as a result of legitimate executive action, such action is necessarily final, and it is not competent thereafter for executive action to divest them, either by way of a review of the proceedings or by any new proceedings instituted with that view. Especially is this principle applicable to the proceedings of the Patent Office, which are so nearly akin to judicial proceedings as to be most appropriately designated as quasi-judicial.

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Overland Motor Co. v. Packard Motor Co., 274 U.S. 417, 421 (1927) (emphasis added); accord, Texas Instr. v. Cypress Semiconductor Corp., 90 F.3d 1558, 1568 (Fed. Cir. 1996). Collateral estoppel prohibits the Office from re-litigating factual issues which have already been decided. Collateral estoppel is thus "an absolute bar to relitigation, not only of those matters actually litigated in the prior suit, but also any other matter which might have been acted upon in the prior suit." Schwartz, S.D., Res Judicata As Applied in Patent Office Prosecution, 159 J. PAT. Off. Soc. 637, 638 (1967).

Here, the Patent Office has already found that TAYLOR "does not suggest any extraction step involving e-mail data." REASONS FOR ALLOWANCE at 2 (29 June 2001). That factual finding is essential to the final judgment (the decision to grant the '592 patent). Thus, there is an absolute bar prohibiting the Office from contesting its own earlier finding. Schwartz, *ibid*.

This result is good policy. Forcing Applicant to repeatedly litigate the same factual issue is a "misallocation of resources." <u>Blonder-Tongue</u>, <u>Inc. v. Univ. of Illinois Foundation</u>, 169 USPQ 513, 519 (U.S. 1971). Permitting the Office to repeatedly dispute the same issue "reflects either the aura of [a] gaming table or 'lack of discipline and of disinterestedness' on the part of the [Patent Office]." <u>Id</u>. (noting that collateral estoppel is for "the prevention of harassment" of a party). Here, the spurious rejections raised in the *five* Office Actions in this case since its original filing, waste resources and even evince "lack of disinterestedness" or even "harassment" by the Office. The Board should not let the patent examination process degenerate into a "gaming table" of unfounded rejections.

10.2.2 <u>Claims cannot be rejected over a reference not of record</u>

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The rejection must be withdrawn as a matter of law because the rejection relies on a reference not of record.

TAYLOR was filed 10 August 1995. TAYLOR says, "A system according to the invention has been made accessible through the world wide web." Id. at col. 6, lines 58-60.

The quoted sentence does not mention the word "e-mail," let alone "extraction." Nonetheless, the OFFICE ACTION asserts that this sentence discloses e-mail address extraction. The OFFICE ACTION argues that in the website referred to, "e-mail addresses are presented as hyperlinks. Clicking on such a hyperlink pops up an e-mail system which extracts the e-mail address and creates an email to be sent to the e-mail address spelled out by the hyperlink. This e-mail system thus serves as an e-mail extractor." OFFICE ACTION at 3 (21 Oct. 2002). The OFFICE ACTION elaborates,

Taylor's existing e-mail system reads as the extractor. Examiner is not stating that this feature is an obvious modification, but rather, that it is anticipated by Taylor. This feature derives from the incorporation by reference of the Monster.com website (col. 6, lines 58-60), in which e-mail addresses are presented to the user in the form of hyperlinks. When the user clicks on the hyperlinked address, the e-mail address is extracted and used to set up an e-mail with the user's own e-mail system. Thus, the user's e-mail system effectively functions as an e-mail extractor when the user is accessing the Monster.com website.

Id. at 6. Thus, the Office Action alleges that in the 1995 Monster.com website: (i) "e-mail addresses are presented to the user," (ii) "e-mail addresses are presented in the form of hyperlinks," (iii) "when the user clicks on the hyperlinked address, the e-mail address is extracted," (iv) "when the user clicks on the hyperlinked address, the e-mail address is used to set up an e-mail with the user's own e-mail system," and (v) "the user's e-mail system effectively functions as an e-mail extractor when the user is accessing the Monster.com website."

These factual allegations are unsupported, because the 1995 website is not of record.² The Office has not only refused to make it of record, the Office refuses to even provide a copy to the Applicant for review. Office speculation on what a website did or did not do in 1995 is speculation. This is reversible error.

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The OFFICE ACTION claims that the 1995 website need not be made of record, nor provided to the Applicant, because the 1995 website is "incorporated by reference" into TAYLOR. It is not. TAYLOR (at col. 6, lines 58-60) says the website is "A system according to the invention." TAYLOR thus says the website is the invention disclosed and claimed in the TAYLOR patent. For the TAYLOR patent, this is not "nonessential" subject matter (such as the background or the state of the prior art) eligible for incorporation by reference. Manual Patent Exam. Proc. § 608.01(p)(I)(A) (2001). Rather, the web site is "essential" subject matter. Id. Essential subject matter cannot be "incorporated by reference" into the TAYLOR patent from a non-patent publication such as a website. Manual Patent Exam. Proc. § 608.01(p)(I)(A) (2001). Thus, the 1995 website is not be "incorporated by reference" into TAYLOR. Id.

Rather, the exact opposite is true. Because TAYLOR is a U.S. patent, and is used to reject the claims under § 102(e), "the disclosure relied on in the rejection must be present in the issued patent." MANUAL PATENT EXAM. PROC. § 2136.02 (2001). For example, "portions of the patent application which were cancelled" and "subject matter which is disclosed in the parent application but not included in the [relied-on] continuation-in-part," cannot be used to support a § 102(e) rejection. Ex parte Stalego, 154 USPQ 52 (B.P.A.I. 1966); In re Lund, 376 F.2d 982 (C.C.P.A. 1967). Here, the disclosure relied on – a website from 1995 - is not disclosure present in the issued patent. The examiner's rationale is reversible error.

² These factual allegations are also incorrect. TAYLOR teaches the e-mail addresses should be entered into the resume database by the job applicant, rather than extracted from web pages by an e-mail address extractor. Thus, allegations iii and v are directly contradicted by TAYLOR.

10.3 Claims cannot be rejected on "Official Notice"

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The OFFICE ACTION says that TAYLOR cannot anticipate claims 2 and 3 because TAYLOR does not teach "relevancy scoring."

The Office Action, however, takes official notice that (i) "relevancy scoring for search results is very well known in the art of database searching," (ii) "It would have been obvious to one of ordinary skill in the art to modify Taylor to include relevancy scoring of results," and (iii) "relevancy scoring of results to reduce the need to review a large number of hits [] is very well known in the art." Office Action at 4 (21 Oct. 2002). These three factual assertions are illegal.

Factual assertion (ii) is illegal because a suggestion to combine cannot be based on a judicially-noticed fact. Ex parte Grochowski, No. 95-1343 at 5 (B.P.A.I. June 27, 1995). Factual assertions (i) and (iii) are illegal because judicial notice cannot be used to establish what is "very well known in the art." In re Eynde, 178 USPQ 470, 474 (C.C.P.A. 1973) ("The facts concerning the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of [judicial] notice. If evidence of the knowledge possessed by those skilled in the art is to be properly considered, it must be timely injected into the proceedings"). Allegations concerning specific "knowledge" of the prior art should be supported, and noticed facts "should not comprise the principle evidence upon which rejection is based." In re Ahlert, 165 USPQ 418, 420 (C.C.P.A. 1970).

Relying on judicial notice of what a skilled artisan would envision is reversible error. Exparte Nouel, 158 USPQ 237 (B.P.A.I. 1967). Even the Office Action concedes that Official Notice may be used only for facts "which are capable of instant and unquestionable demonstration as being well known in the art." Office Action at 6 (21 Oct. 2002) (emphasis added). Applicant has asked the Office to provide an Affidavit of References demonstrating such "instant and unquestionable" facts. Reply at 6 (23 July 2002). The Office has refused to respond.

Because the Office has refused to produce an AFFIDAVIT OF REFERENCES, the factual assertions must be withdrawn and the rejections relying on them withdrawn.

11 SUMMARY

The Issues Presented in this case should be resolved as follows:

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- 1) Issuing a patent constitutes a finding by the Office that the claim terms there used are statutory, if copied into a continuation application.
- 2) Reviewing a PETITION TO MAKE SPECIAL based on "rigidly comparing" claims to an allegedly infringing device, is a finding that the claims are clear enough to be statutory.
 - 3) Rejecting a claim over prior art is a concession that the claim is clear enough to compare to the prior art, and therefore is a finding that the claim is clear enough to be statutory.
 - 4) Where the Office Action does not propose any "improved mode of definition" for the disputed claim term, a claim cannot be rejected under Section 112, second paragraph.
 - 5) The Office Action in this case (i) has not established a *prima facie* case that the claim terms "advanced natural language screening technology" and "as many linking levels as desired" are vague; and (ii) has established a *prima facie* case that the claim terms "advanced natural language screening technology" and "as many linking levels as desired" are statutory.
 - 6) Issuing a NOTICE OF ALLOWANCE reciting specific factual findings precludes the Office from later contesting those facts.
 - 7) TAYLOR does not teach "a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications." TAYLOR does not teach "an e-mail address extractor that can extract an e-mail address from said web page." TAYLOR does not incorporate by reference the disclosure of the 1995 monster.com website.
 - 8) A claim may not be rejected based on a reference not of record. The disclosure of the 1995 monster.com website is not of record.
- 9) A claim may not be rejected based on unsupported Official Notice, where the Applicant demands an Affidavit of References.

All pending rejections must therefore be withdrawn.

Stephen Michael REUNING, Candidate Chaser Serial No. 09/897,826 Examiner Samuel G. RIMELL, Esq., Group Art 2175

Applicant notes this application was filed in 1996. Since that time, the prosecution has entailed perhaps half a dozen Office Actions, reviewing several dozen patent and non-patent references. This case will not benefit from further examination nor other Office delay.

Please find enclosed (i) a NOTICE OF APPEAL; (ii) two additional copies of this APPEAL

5 BRIEF; and (iii) a FEE TRANSMITTAL FORM with the appropriate fees.

Respectfully submitted,

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Mark POHL, Reg. No. 35,325

19-November 2002

PHARMACEUTICAL PATENT ATTORNEYS LLC

15 POHL & ASSOC.

55 Madison Avenue, 4th floor

Attention: Mark POHL (P 4014) Morristown, NJ 07960-6397 USA

20 Direct: Mark.Pohl@LicensingLaw.Net

2 +1 (973) 665-0275

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Stephen Michael REUNING, Candidate Chaser Serial No. 09/897,826 Examiner Samuel G. RIMELL, Esq., Group Art 2175

12 CLAIMS ON APPEAL

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CLAIMS

I claim:

- 1. A system for locating an individual with specifically defined professional qualifications, the system comprising:
 - a. a filter that can search a web page to identify in said web page the presence or absence of specifically defined professional qualifications, and
 - b. an e-mail address extractor that can extract an e-mail address from said web page.
- 2. The system of claim 1, wherein said filter can sort a plurality of web pages and calculate a score for each said web page.
- 3. The system of claim 2, further comprising:
 - c. means for sending an e-mail to said extracted e-mail address.
- 4. The system of claim 3, wherein said filter generates a score for said web page, and wherein said means for sending e-mail automatically sends an e-mail to said extracted e-mail address if said score for said web page satisfies a predetermined threshold value.
- 5. The system of claim 4, wherein said e-mail comprises data on a job opportunity.
- 6. A method for locating an individual with a specifically defined professional qualification, the method comprising:
 - a. locating a web page which contains text identifying said professional qualification;
 - b. for web pages containing said text identifying said professional qualification, extracting from said web page an e-mail address.

- 7. The method of claim 6, further comprising:
 - c. sending an e-mail to said extracted e-mail address.
- 8. The method of claim 7, wherein said e-mail comprises data on a job opportunity.
- 9. The method of claim 8, wherein said e-mail address extracting further comprises extracting e-mail addresses from linked web pages, to as many linking levels as desired.
- 10. The method of claim 9, wherein said text identifying said professional qualification comprises a keyword or Boolean combination of keywords.
- 11. The method of claim 10, further comprising screening said web pages using advanced natural language screening technology.
- 12. The method of claim 11, wherein said advanced natural language screening technology comprises rules to identify resumes.
- 13. A system for locating an individual with a specifically defined professional qualification, the system comprising:
 - a. a web page locator which can locate a web page containing text identifying said professional qualification;
 - b. an e-mail address extractor.
- 14. The system of claim 13, further comprising:
 - c. means for sending an e-mail to an extracted e-mail address.
- 15. The system of claim 14, wherein said e-mail comprises data on a job opportunity.
- 16. The system of claim 15, wherein said e-mail address extractor can extract e-mail addresses from linked web pages, to as many linking levels as desired.

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- 17. The system of claim 16, wherein said text identifying said professional qualification comprises a keyword or Boolean combination of keywords.
- 18. The method of claim 17, further comprising screening said web pages using advanced natural language screening technology.
- 19. The method of claim 18, wherein said advanced natural language screening technology comprises rules to identify resumes.

X:\pohlm\Diedre\Candidate\R53(b) Claims

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United States Patent [19]

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Nov. 3, 1998

[54] ELECTRONIC AUTOMATED INFORMATION EXCHANGE AND MANAGEMENT SYSTEM

[75] Inventor: Jeffrey C. Taylor, Holliston, Mass.

[73] Assignce: TMP Worldwide Inc., New York, N.Y.

[21] Appl. No.: 513,248

[22] Filed: Aug. 10, 1995

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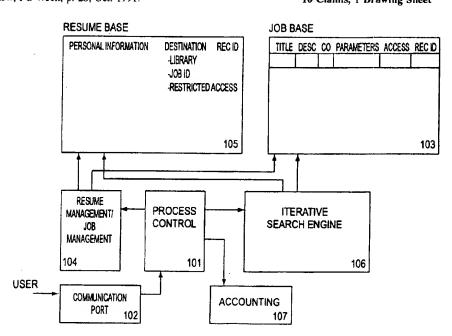
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Primary Examiner—Thomas G. Black
Assistant Examiner—Frantz Coby
Attorney, Agent, or Firm—Fulbright & Jaworski LLP

ABSTRACT

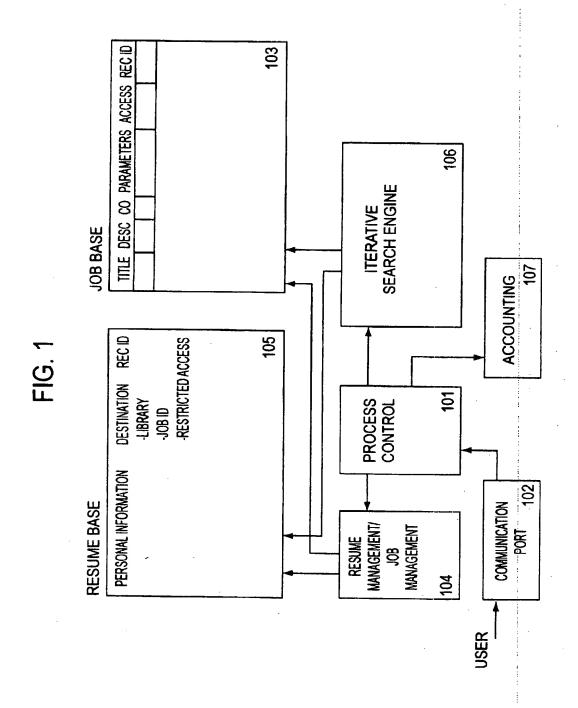
A computer implemented system is provided in order to manage the exchange of information through two databases. The system is particularly useful for an employment recruitment environment or other environments which require an exchange between individuals in two or more categories such as job applicants and employers. According to the preferred configuration, the system manages a database of job postings. Each posting is stored in a job record, and the system is capable of searching on a plurality of keys in the job record to identify a job record suitable to a particular applicant. The system then facilitates creation of a resume record and designation of the resume record for an accessible resume base or a selected job record. Finally, the system permits query of a resume base in order to identify recruitment candidates for job positions.

10 Claims, 1 Drawing Sheet



Taylor

[56]



ELECTRONIC AUTOMATED INFORMATION EXCHANGE AND MANAGEMENT SYSTEM

BACKGROUND OF THE INVENTION

1. Field of the Invention

The invention relates to a computer implemented system for advertising and accepting submissions in response to such advertisements. More particularly, the invention relates to a system for posting job advertisements which includes a search mechanism and which allows applicants to submit, via on-line access, resumes and apply for the jobs. The system may advantageously be accessible within a network, such as a local area network, a wide area network, or the Internet, in order to permit on-line access to a jobs database through a search engine; and to manage the application for such jobs and submission of resumes, application letters and other relevant information.

2. Description of the Related Technology

The Internet is a worldwide system of connected com- 20 puter networks. The Internet enables computers of all kinds to share services and to communicate directly, as if they were part of one giant seamless global computing machine. The Internet is currently configured to join together large commercial communications services as well as thousands 25 of university, government and corporate computer networks and other computers. Communications over the Internet is accomplished by defined communication protocols. The World Wide Web is a subset of the Internet which uses a file transfer program ("FTP") protocol to permit communication 30 between sites. Such communication may be interactive and is referred to as on-line.

There are currently on-line classified advertisement systems which are accessible through the World Wide Web. For example, the San Jose Mercury News places classified advertisements in electronic format on a computer system accessible over the World Wide Web. There have been numerous bulletin board web sites which post job information. These web sites generally post a description of a position and request a response either via an electronic mail address or a postal address. Heretofore, there has not been available a comprehensive system for managing classified advertisements with an effective search engine; a secured resume management facility; accessible resume database; and a targeted resume submission system.

SUMMARY OF THE INVENTION

It is an object of invention to provide a computer implemented system for posting and searching through job adver- 50 tisements. It is a further object of the invention to provide an on-line resume management system. It is a further object of the invention to provide an on-line resume submission system. It is a further object of the invention to provide a computer implemented system to assist in human resources 55 functions. It is a further object of the invention to provide a computer implemented system which links background information, in electronically readable memory, concerning advertisers to an electronic advertisement also stored in iterative job search engine. It is a further object of the invention to provide an on-line system for collecting resume information and job application information. It is a further object of the invention to provide an on-line job and resume search engine.

The invention may be implemented in a computer system whose actions are directed by a computer program config-

ured as a multiple database information exchange management system. The system includes a first database stored in electronically readable memory (resume base) and;a second database store in electronically readable memory (job base). The system also includes a communication port suitable for transmitting and receiving data and instructions in the form of electrical signals, to and from remote computers and a database manager for creating and revising records of the first and second databases. The system may also include an iterative database query engine connected to the memory and a process controller connected to the database manager, the iterative data base query engine and the communication port. An accounting system may also be provided. The job base records may contain a plurality of search key fields. The iterative database query engine may include means for searching on a plurality of search key fields of a database for satisfaction of one or more conditions and means for reporting all variables in said search key fields of records which satisfy the search conditions. The search key fields may restrict the possible entries to a predetermined set of entries. The system may also include means for relating a record of the first database to a record of the second database by storing job record identification in a relation field of a resume record. Alternatively, the relation may be accomplished by storing a resume record identification in a relation field of a job record or creating an entry in a relation table, stored in electronically readable memory, wherein the relation entry includes identification of a resume record and a job record.

Traditional media such as newspaper and trade journal advertisements do not supply the tools necessary for recruiting qualified candidates in the increasingly competitive environment driven by the technological advances of the last two decades. The Internet provides a new media that is accessible by individuals in a manner which permits rapid response and easy interaction. A system according to the invention will operate to lead a candidate through certain steps and parameters to a qualified job search by location, company, discipline, industry, and job titles. According to the invention, jobs may be identified by a string of parameters which may be used to effectively allow iterative searching and identification of suitable jobs even in extremely large job databases. According to the invention, the job base includes parameters which permit a search engine to select parameter choices. Establishing certain parameters such as job discipline or job location permits narrowing an extremely large database to a more manageable size. Once a job opening is selected, a searcher may submit an on-line application by submitting a prestored resume, revising a prestored resume, or creating a new resume on-line.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 shows a schematic of the system.

DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENT

FIG. 1 shows a schematic of the system according to the memory. It is a further object of the invention to provide an 60 invention. It is to be understood that the system can be implemented using general purpose computer hardware as a network site. The general purpose hardware may advantageously be in the form of a Unix workstation or other suitable computer. The hardware will be configured and customized by various software modules. The software modules will include communications software of the type conventionally used for Internet communications and a

database management system. Any number of commercially available database management systems may be utilized to implement the invention. Those of ordinary skill in the art of database management application programming will be able to make and use the invention according to the disclosure 5 hereof.

According to the invention, a process control unit 101 will manage the flow of information through the system. A communication part 102 is provided to allow access to the system through communications with other computers con- 10 nected to the network. According to the preferred embodiment, the network may include access over the Internet to any number of external computer systems or access through local or wide area network to other connected computers either directly or through modems. The 15 system will include database memory 103 provided to store the job base. The job base may be in the form of a data file comprised of a plurality of records, each record corresponding to a posted job. Each record will include a number of predefined fields containing search parameters and addi- 20 tional fields containing descriptive information of the type generally used in job advertisements. According to the preferred embodiment, the search parameters may include fields, such as: specified job location (preferably by region or state); job industry; a company identifier; job disciplines; 25 and job titles. An example of industries may include the following:

> Accounting Legal Manufacturing Advertising PR Architecture Marketing Multimedia Biotech Civil Service Non Profit Design Other Education Publishing Environmental Real Estate Financial Banking Retail Health Care Medical Telecommunication High-Tech Transportation Hotel Restaurant Travel Entertainment Human Services Utilities

The job disciplines can be established so that each job can be cross-referenced to and identified by one or more disciplines with a reasonable degree of specificity. An example of job disciplines for the biotechnology and pharmaceutical fields may include: chemistry; clinical research; environmental science; management; manufacturing; quality; regulatory affairs; research associates; research scientists; and systems networks. Each application parameter field may be organized by geographical location with any desired amount of specificity. For a nationwide job indexing system, it may be convenient to specify location by region or state. For local applications, it may be more appropriate to specify location by county, city/town or neighborhood.

If a relational database management system is utilized, it would be advantageous to relate the company field of the job base to a company database file which will include relevant information, statistics and descriptions of companies posting jobs.

Finally, the job base records will include some security or password fields which will specify who may have access to the job records for the purpose of posting, revising, maintaining, and deleting job records.

The system may also include memory which stores a 65 resume base 105. The resume base will be a database file which will be formulated by applicant-users for submission

to a resume pool accessible to subscribing employer-users or submission to specified employers as a job application. The system also includes a resume management/job management module 104 which manages the creation, revision, and maintenance of resume records contained in the resume base and job records contained in the job base. The system will also include an iterative search engine 106 which handles queries to the resume base and job base. The operational features of the iterative search engine are described below. The resume management/job management module 104 and the iterative search engine 106 may be implemented through commercially available database management systems. Other conventional search and query capabilities may also be used to search the databases.

A user establishing access to the system according to the invention though the communication port will be presented with a variety of menus. According to the preferred embodiment, communication may be effected through hyper text markup language ("html") pages.

It is contemplated that users accessing the system by computer communications will be either "employers" or "applicants." Any user who is not an employer-user will be treated as an applicant-user. Employer-users are those users who are authorized to post jobs to the job base or retrieve contact information from the resume pool.

An authorized employer-user may select a job base maintenance option at the main menu. Employer-users may be granted "write access" to the job base through some identification or verification protocol. A password system or source terminal identification number may be utilized to verify authority for "write access."

Once an authorized employer-user elects to access job posting maintenance, he may have an option of inputting a 35 new posting by creating a new job record in the job base, accessing a current posting (job record), or retrieving applications (resume records). When creating a new job record, an employer-user may be presented with a form to be filled out on-line, or the employer-user may upload a prepared job 40 record to the job base. When creating a new job record on-line, an employer-user may respond to prompts to fill the job record fields. The employer-user may enter narrative for a job description and information for the search parameters. Any search parameter field which has a restriction on available entries may be presented in the form of a menu. If the number of available entries exceeds a predetermined amount, the entries may be presented in a scroll bar window. The entries may be selected by the user, for example, by using a mouse pointer to click on appropriate entries. For example, the discipline field will be limited to certain predetermined disciplines. The employer-user posting a job may be required to select a discipline only from a predetermined list appearing in a menu.

When an authorized employer-user elects to access current job postings, a query may be utilized in order to locate an individual or group of job records. The system will verify that the user has "write access" or authority to modify the job records. The job records may be presented as a form displayed to the user and the user may modify the fields as deemed appropriate. Alternatively, an employer-user may elect to delete any job record, provided he has appropriate authority.

An authorized user may also be presented with an option of retrieving applications (resume records) for the jobs it has posted on the system, i.e., corresponding to its job records. By selecting the option to retrieve applications (resume records), the process control module 101 will instruct the

resume management/job management module 104 to retrieve all resume records which designate specified job records from the resume base 105. The mechanism for creating a resume record designated as an application for a particular job will be described below.

As an alternative to requiring on-line access to resume records tagged as applications for jobs, the system may be configured to periodically query the resume base for resume records which are related to job records and, therefore, constitute applications for specific job postings. The resume records thus returned may be sent by E-mail, facsimile or otherwise to the appropriate employer-user. Alternatively, the system may be configured to forward the resume record any time an applicant-user applying for a predetermined job is placed in the resume base.

As discussed above, when accessing the system a user is 15 presented with an options menu. The options menu will also include the option of submitting a resume to the resume base (creating or modifying a resume record), searching the job base, or searching the resume base in addition to the option of creating or modifying a job record (maintaining the job base). As with the option of maintaining the job base, the option of searching the resume base may be restricted to authorized users who subscribe to that portion of the service. When a user selects the option of creating a resume or creating a job posting, the process control unit 101 submits 25 commands to the resume management/job management module 104 which, in turn, passes information for the fields of the specified base from the user's computer through the communication port into the selected database record. The resume base 105 is an electronically stored database. The 30 resume base is a collection of resume records stored in electronically readable memory. The resume records will advantageously include fields specifying name, address, telephone number, E-mail address and narrative fields containing descriptive information in the form of a cover letter, a description of key skills, and identification of a predetermined number of current and previous positions, a specification of term of employment at current and previous positions, and a description of educational background. The fields in a resume record may be populated through use of a form presented to the user. The resume record may also 40 include fields for a user password and a field that is used to designate the record as a submission to an accessible resume pool or a specified job. If the field designates a specified job, it may include a job record identification. The user-applicant will be presented the option of maintaining the resume on 4 the system without submission; submission of the resume to a resume pool accessible to subscribing employers; or submission of the resume as an application to any posted job listing. In the event the resume is submitted to an accessible pool, a mechanism may be provided to prevent access to the 50 resume by specified parties in order to protect an applicantuser from having a current employer, who is also an employer-user, learn that the applicant-user is seeking a new position. Access may be restricted by including a field in the resume record identifying companies which will not be 55 granted access to the resume record even though they may have access to the resume pool or by a fuzzy logic inquiry into the current employer field when any subscribing employer queries the resume pool. A resume record may be "submitted" as a job application by relating the resume 60 record to a job record by placing a job record identification into an appropriate field in the resume record.

It is to be understood that the system is not limited to using the physical file, record and field structures described herein and other physical structures which are logically 65 equivalent will be equivalent for the purpose of this invention.

The iterative search engine 106 will be invoked when an applicant-user selects the job search option from the opening menu or when an employer-user selects the resume search option to search the resume pool. When the iterative search engine is invoked to search the job base, a number of scroll bar type menus may be presented to a user. The scroll bar menus can correspond to the various search parameters and fields of a job record. The menu presents predetermined options corresponding to the available entries for the various fields. The user then selects query entries from the options presented. According to an advantageous feature, fields which are not limited to predetermined entries may be queried using a key word or literal string inquiry. The query will return an indication of the number of records which satisfy the query. If a plurality of records are identified, additional iterations of the search may be executed. Each of the scroll bar menus are represented. However, on re-presentment, rather than displaying the entire universe of available entries for each field only the entries which correspond to entries of records selected in the previous iteration are displayed. The user can then further narrow the selections and submit additional iterative inquiries. When the query narrows selected records to the satisfaction of the user, the user may request display of predetermined portions of the selected record(s). The user is then presented with the option of submitting a previously established resume record as an application; modifying a previously established resume record as an application; or formulating a new resume record as an application. The resume record may advantageously be designated as an application for a selected job by marking a job field with a job identification number corresponding to a record in the job base. As discussed above, the resume record so designated may be transmitted or made available to the job advertiser.

If an employer-user selects the resume pool option, the system may invoke the iterative search engine to query resume records designated for the resume pool. The resume pool may be a subset of records in the resume base. They may be so designated by the presence of special characters in a job-identification field. The system may impose a restriction on records which are returned to an employeruser to ensure that any resume created by an applicant-user who is an employee of the employer-user will not be made available to that employer-user. According to the preferred embodiment, the information returned to the employer-user during a resume pool query will not include contact information. The system may invoke an accounting subsystem 107 when an employer-user requests contact information. According to this feature, employer-users may be charged for access to contact information on applicant-users. The charge may be imposed as a basic subscription charge which will entitle an employer-user to a predetermined number of resume pool applicant-user contact identifications. A predetermined charge may be imposed for each request above and beyond the basic subscription level. Various other schemes may be utilized to charge employer-users or restrict access to contact information fields.

A system according to the invention has been made accessible through the World Wide Web with a URL of http://WWW.monster.com/home.html.

The system has been described with reference to a preferred embodiment particularly suited for advertising jobs; managing the submission of applications for the jobs; and managing a resume and job database. It is to be understood that the system according to the invention is suitable for other applications including the management of other types of advertisements such as for merchandise, housing, or any

open request for response. Other open requests for response may include advertisement for the sale of fungible and nonfungible commodities, services or grants which require an interested party to submit information. The submitted information may be in the form of transaction information 5 such as in the case of an advertisement for merchandise, identification of purchaser, identification of where the merchandise is to be shipped, and transaction information such as digital signatures, credit card information and the like. In the case of a system to manage the application for grants, the 10 system may manage grant applications rather than resumes as described in accordance with the preferred embodiment.

While the invention has been described and shown in connection with the preferred embodiment, it is to be understood that modifications may be made without departing from the spirit thereof. The embodiment described is by way of example and should not be construed as limiting of the claims except where referenced to the specification is required for such construction. The claims below is set forth to define the scope of protection sought by this application. ²⁰

1. A computer system whose actions are directed by a computer program configured as a multiple database information exchange management system configured for network operations, comprising:

- a first database of personal information stored in electronically readable memory;
- a second database of position information stored in electronically readable memory;
- a communication port suitable for transmitting and receiving data and instructions in the form of electrical signals, to and from remote computers;
- a database manager for creating and revising records of said first database and said second database connected as to said electronically readable memory responsive to a plurality of said remote computers;
- an iterative database query engine connected to said memory, said engine configured to permit an initial search and at least one subsequent search where said ⁴⁰ subsequent search operates on the results of said first search and any previous search; and

- a process controller connected to said database manager, said iterative data base query engine and said communication port;
- wherein said second database is a job database containing a plurality of job records, each containing a plurality of search key fields.
- 2. A system according to claim 1, further comprising an accounting system connected to said process controller.
- 3. A system according to claim 1, wherein said first database is a resume database and comprises a plurality of records containing information suitable for employment applications.
- 4. A system according to claim 1, wherein said iterative database query engine includes:
- means for searching on a plurality of search key fields of a database for satisfaction of one or more conditions; means for reporting all variables in said search key fields of records which satisfy said one or more of said conditions.
- to define the scope of protection sought by this application.

 1 claim:

 5. A system according to claim 4, wherein said search key fields include at least a geographical key and a discipline key.
 - 6. A system according to claim 5, further comprising means to restrict entries in at least one of said search key fields to a predetermined set of entries.
 - 7. A computer system according to claim 1, further comprising means for relating a record of said first database to a record of said second database.
 - 8. A computer system according to claim 7, wherein said means for relating comprises means for storing an identification of a record in said second database in a relation field of a record of said first database.
 - 9. A computer system according to claim 7, wherein said means for relating comprises means for storing an identification of a record in said first database in a relation field of a record in said second database.
 - 10. A computer system according to claim 7, wherein said means for relating comprise means for creating an entry in a relation table stored in electronically readable memory, wherein said relation entry includes identification of a record in said first database and identification of a record in said second database.

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Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE
a valid OMB control number.

PETITION ROUTING SLIP

(Find the petition from the list and check the box in the heading above the petition)

Complete if Known					
Application Number	108/984,650				
Filing Date	03 Dac 1997				
First Named Inventor	Raunina				
Group Art Unit	2724				
Examiner Name	Jeanta				
Attorney Docket Number	Dierdre Kandidate Chrisa				

	PETITIONS DECIDED BY PETITIONS OFFICE		
	301 Relating to Public Use Proceedings (37 CFR 1.292) 302 To make application special - prospective manufacture (37 CFR 1.102, MPEP 708.02) 303 To make special - Infringement (37 CFR 1.102, MPEP 108.02) 304 Relating to the Filing/Issuance of Divisional Reissue (37 CFR 1.177) 305 To waive or suspend rules (37 CFR 1.183) 306 To expunge a paper from patent application or patent file (37 CFR 1.59) 307 Withdrawal of Attorney (37 CFR 1.36) 308 For access to application except re-proceedings before Board (37 CFR 1.14, MPEP 103,104) 309 Relating to Small Entity (37 CFR 1.28) 310 Relating to reexamination (37 CFR 1.81-1.183) 311 For correction of inventionship for applications - no filing date (37 CFR 1.48) 312 For correction of inventionship re-PCT applications (37 CFR 1.47) 313 For filing application without one or more inventors (37 CFR 1.47) 314 For filing PCT application without one or more inventors (37 CFR 1.47) 315 For extension of time without fee in cases in Application Division (37 CFR 1.136(b)) 316 For matters before A/C for Patents - not specified 317 Filing date for application filed by Express Mail (37 CFR 1.53 318 Filing date for application in fled by Express Mail (37 CFR 1.10) 319 Filing date for application - unavoidable delay (37 CFR 1.137(a)) 310 For exverse an abandoned application - unintentional abandonment (37 CFR 1.137(b))	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	To walve/suspend rules (37 CFR 1.183) To invoke supervisory authority - re patent examining operations (37 CFR 1.181) To withdraw from issue after payment of issue fee (37 CFR 1.313(b)(1-4)) To withdraw from issue after payment of issue fee (37 CFR 1.313(b)) or abandon application in favor of continuing application To enter priority papers after Issue Fee payment (37 CFR 1.313(b)) or abandon application in favor of continuing application To enter priority papers after Issue Fee payment (37 CFR 1.55(a)) To invoke supervisory authority - re Office of Admin. (37 CFR 1.181) To invoke supervisory authority - re Office of Admin. (37 CFR 1.181) To walve/suspend rules re patent mainters in Office of Admin. (37 CFR 1.183) To decide matters before Deputy A/C for Patents under 37 CFR 1.182) To receive refusal to accept & record maintenance fee - application filled on or after 8/27/82 (37 CFR 1.377) To issue patent in the name of the Assignee (37 CFR 1.334(c)) To order a Commissioner-initiated Reexamination proceeding (37 CFR 1.520) To convert Provisional Application To reinstate abandoned Provisional Application PCT petition-unavoidable PCT petition-unimentional To accept unavoidably delayed payment of maintenance fee (37 CFR 1.378 (b)) To accept unimentionally delayed payment of maintenance fee (37 CFR 1.378 (c)) Petitions related to reexamination proceedings For matters before the Deputy A/C for Patents - not specified
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95° 95°		953 959	Requests filed under the Freedom of Information Act Not specified

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor : Stephen Michael REUNING

Serial No. : 08/984,650

Filed : December 03, 1997 Title : Candidate Chaser

Group Art Unit: 2765

Examiner : Romain JEANTY

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Commissioner of Patents & Trademarks Box Patent Application Washington, DC 20231

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Sir:

PETITION TO MAKE SPECIAL UNDER Rule 1.102(d)

Applicant respectfully requests that examination of this application be made special, because of suspected

actual infringement of the claimed invention.

STATEMENT OF FACTS

- I. THERE IS AN INFRINGING DEVICE
 OR PRODUCT ACTUALLY ON THE
 MARKET OR METHOD IN USE.
 - 1. Since the record filing date of the application, the Inventor has disclosed his invention on the internet.
- This invention is disclosed at www.candidatechaser.com.

 This disclosure is publicly available.
 - On information and belief, Webhire, Inc.

 ("WebHire") is a Delaware corporation with principal
 executive offices at 91 Hartwell Avenue, Lexington
- 35 Massachusetts 02421, and WebHire common stock is publicly Page No. 1

traded on the NASDAQ National Market System under the ticker symbol "HIRE."

- 3. WebHire filed with the United States Securities and Exchange Commission an annual report Form 10-K, for the period ending September 30, 1999. See Exhibit A.
- 4. According to the WebHire Form 10-K, for fiscal year 1999, WebHire had revenue of \$25,295,000. Id. at pg. 13. For fiscal year 1998, WebHire had revenue of \$30,855,000. Id.
- Mccording to the WebHire Form 10-K, WebHire "designs, develops, markets, implements and supports Internet- and intranet-based recruiting solutions to automate candidate sourcing." Form 10-K, pg. 1. II. The "Webhire Agent" Product
- on information and belief, WebHire practices a process called "Webhire Agent." Webhire Agent is described in both the WebHire Form 10-K, and on the WebHire internet site, webhire.com.
- 7. The Form 10-K notes, WebHire "delivers products 20 which are marketed under the Webhire brand: Webhire Agent, an automated web search agent." Id. The Webhire Agent service is "innovative resume searching technology that automatically searches the entire Internet for resumes, matching them against customer specified criteria." Id. at

pg. 2.

8. The <u>Form 10-K</u> notes:

WEBHIRE AGENT is an intelligent web agent that searches the entire Internet for resumes, evaluating and scoring found resumes against customer-defined skills requirements for a job opening. Webhire Agent returns a relevance ranked list of the best qualified resumes it discovered on the Internet. Optionally, Webhire Agent can initiate an e-mail correspondence with candidates who meet or exceed a user-specific scoring threshold.

<u>Id.</u> at pg. 4.

- 9. Webhire Agent is also described on the WebHire internet site. See Exhibit B.
- 10. That Internet site describes Webhire Agent as "Your intelligent recruiter Agent automatically searches the Internet, finding the right candidates for you." <u>Id</u>. at http://webhire.com/javascript_site/body_java.htm.
 - 11. The site elaborates: "Put your candidate search on autopilot! Webhire Agent intelligently searches the Internet to locate and qualify the best candidates . . . proactively contacting each one!" Id. at http://
- 25 webhire.com/ foremployers/agent_what.htm.
 - 12. The internet page provides detail on how the Webhire Agent method works:

Webhire Agent handles the entire candidate search cycle:

- It <u>searches</u> thousands of Web sites, newsgroups, bulletin boards and subscription services to <u>locate candidates</u> that match <u>specific job skills</u>, experience and location criteria rapidly, without your involvement.
- It uses advanced natural language screening technology to <u>filter out</u> non-relevant information, while uncovering the resumes other search tools miss.
- It automatically <u>sends a personalized message</u> to each candidate, urging them to visit your Web site or reply via e-mail just like a human recruiter!
- 15 <u>Id</u>. at http://webhire.com/foremployers/agent_what.htm
 (emphasis added).
- II. A RIGID COMPARISON OF THE ALLEGED INFRINGING METHOD WITH THE CLAIMS
 OF THE APPLICATION HAS BEEN MADE,
 AND SOME OF THE APPLICATION CLAIMS
 ARE UNQUESTIONABLY INFRINGED

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- 13. I have made a rigid comparison of the Webhire
- 25 Agent described in the Form 10-K and the internet site, with the claims of the application.
 - 14. In my opinion, some of the claims are unquestionably infringed.
 - 15. For example, application claim 20 claims:
- 20. A computer implemented method comprising:
 a. locating an Internet site page or web posting which contains operator specified text comprising specifically defined experiences, interests, capabilities, professional titles, talents or the like;
 - b. extracting from said Internet site page or web posting an e-mail address, and
 c. sending an electronic mail message to said
 - extracted address.

- 16. Webhire Agent incorporates each limitation of the claimed method. The claim recites "a computer implemented method." Webhire Agent is a method for finding new hiring candidates. Webhire Agent is a computer implemented mehtod - it works "rapidly, without your involvement." The claim requires "locating an Internet site page or web posting." Webhire Agent "searches thousands of Web sites, newsgroups, bulletin boards and subscription services," thereby locating an Internet site page or web posting. Webhire Agent thus is 10 "a computer implemented method" for finding new hires, entailing "locating an Internet site page or web posting." 17. The claim covers finding pages that contain "operator specified text comprising specifically defined experiences, interests, capabilities, professional titles, 15 talents or the like." The Webhire Agent method "locate[s] candidates that match specific job skills, experience and location criteria." Thus, Webhire Agent finds pages that
- 20 18. The claim covers extracting an e-mail address and "sending an electronic mail message to said extracted address." The Webhire Agent method "automatically sends a personalized message to each candidate, urging them to visit your Web site or reply via e-mail." Thus, Webhire Agent

contain specified experiences, interests, or the like.

automatically extracts an $\underline{e\text{-mail}}$ address and \underline{sends} an electronic mail message to that extracted address.

- 19. Because the Webhire Agent method includes each limitation of claim 20, Webhire Agent literally infringes 5 claim 20.
 - 20. Similarly, Webhire Agent literally infringes pending application claim 21.
 - 21. Pending application Claim 21 covers:
- 21. The method of claim 20, wherein said electronic mail message comprises information relating to a job opportunity.

Here, Webhire Agent "locate[s] candidates that match specific job skills." Thus, Webhire Agent has this claim limitation. Thus, Webhire Agent literally inringes application claim 21.

- III. THE INVENTOR HAS CAUSED TO BE MADE
 A CAREFUL AND THOROUGH SEARCH OF
 THE PRIOR ART AND HAS A GOOD
 KNOWLEDGE OF THE PERTINENT PRIOR ART.
 - 22. On information and belief, the inventor has caused
- 25 to be made a careful and thorough search of the prior art and has a good knowledge of the pertinent prior art.
 - 23. As part of the originally filed application, the inventor enclosed copies of several dozen references. On information and belief, the inventor has worked in the field

of personnel recruiting for several years. On information and belief, the inventor has a good knowledge of his own and of his competitors' past and current products and methods.

- As stated in the original patent application, the inventor does not know of any prior art disclosure of the
- 25. Webhire Agent does not pose a \$102(b) on-sale bar to the claimed invention. Webhire Agent was "introduced in November 1999." Form 10-K at pg. 4. In contrast, the
- inventor disclosed his invention to the public before

 November 1999, on his candidatechaser.com web site.

 Further, the record filing date of the application is two years earlier December 3, 1997. Thus, Webhire Agent is not valid as prior art against the application.

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POINT TO BE REVIEWED

claimed invention.

Whether the referenced application for letters patent can be made special under Rule 1.102.

20 ACTION REQUESTED

Applicant respectfully requests that prosecution of this application be made special per Rule 1.102.

ENCLOSURES

Exhibits A and B are attached.

A $\underline{\text{Fee Transmittal Form}}$ and the required petition fee is enclosed with this Petition.

The references deemed most closely related to the subject matter encompassed by the claims are already of record. They are therefore not enclosed.

Respectfully submitted,

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Mark Pon1, Esq., Reg. No. 35,325 15 February 2000 55 Madison Avenue, 4th floor

15 55 Madison Avenue, 4th floor Morristown, NJ 07960

2 (973) 665-0275

20 mbc:mp

Reuning, S.M. "Candidate Chaser"
Serial No. 08/984,650

EXHIBIT A

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WEBHIRE INC

Filing Type:

10-K

Description:

Annual Report

Filing Date: Dec 29, 1999

Period End:

Sep 30, 1999

Primary Exchange:

NASDAQ - National Market System

Ticker: HIRE

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION	
WASHINGTON, D.C. 20549	

(MARK ONE)

FORM 10-K

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED: SEPTEMBER 30, 1999

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 0-20735

WEBHIRE, INC.

(FORMERLY RESTRAC, INC.)

(Exact name of Registrant as specified in its charter)

DELAWARE (State or other jurisdiction of (IRS Employer Identification incorporation or organization)

04-2935271 No.)

91 HARTWELL AVENUE LEXINGTON, MA (Address of principal executive offices)

02421 (zip code)

(781) 869-5000

(Registrant's telephone number)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes _ X _ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing price of the Common Stock on December 13, 1999, as reported on NASDAQ National Market System was approximately \$83,200,000. Shares of Common Stock held by each executive officer and director and by each person who owned 5% or more of the outstanding Common Stock as of such date have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares of the registrant's \$0.01 par value Common Stock outstanding on December 17, 1999, was 14,502,921.

Part III incorporates by reference from the definitive proxy statement for the registrant's fiscal 1999 annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A not later than 120 days after the end of experiencing rapid growth, a shortage of skilled labor and an urgent need to complete staffing initiatives.

In June 1999, the Company entered into an alliance with Yahoc!, Inc. (see Note 3 of Notes to Consolidated Financial Statements). Through this alliance, the Company develops, markets, and supports three services which are co-branded with the Yahoo! name: Yahoo! Recruiter, a complete end-to-end Internet recruiting solution which is sold primarily to corporate recruiters, Yahoo! Careers Resume Shop, a free resume management application for job seekers, and Yahoo! Resumes, an online tool that corporate recruiters use to search the resumes contained in the Yahoo! Careers Resume Shop database. The Company's solutions are the exclusive means for corporations to gain access to the online candidates within the Yahoo! Careers Resume Shop. The Company shares revenues from these services with Yahoo!

The Company also delivers products which are marketed under the Webhire brand: Webhire Agent, an automated web search agent; Webhire Enterprise, a complete, integrated recruiting suite designed to meet the needs of large organizations; Webhire JobPost, an automated solution for corporate job posting; and Webhire Job Canopy, a complete solution for career site management that is marketed to Internet media company and portal sites.

The Company delivers its Internet solutions to customers using a web services model, selling the services on a subscription basis, for direct access by subscribers over the Internet via a standard web browser. The Company's solution for large organizations, Webhire Enterprise, is sold through both the application service provider (ASP) model and also as traditionally licensed software.

The Company's principal offerings are Internet based online recruiting services. These services are implemented using standard industry protocols, such as TCP/IP, HTTP and XML. The service based approach provides our customers with a robust set of product features and a high performance end user emperience without requiring them to install any software. Our service infrastructure is based on leading edge technologies from a number of vendors including Microsoft, Oracle and Sun. The infrastructure is designed for high performance, scaleability and high availability. The use of open standards in the design of our systems facilitates easy integration with applications operated by our partners and customers.

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The Company was incorporated in 1982 as a Massachusetts corporation and was reincorporated as a Delaware corporation in 1994. As of June 1, 1999 the Company effected a name change to Webhire, Inc. Restrac Securities Corporation, a wholly-owned subsidiary of Webhire, Inc., was incorporated in September, 1996 as a Massachusetts securities corporation for the purpose of holding and managing certain of the Company's cash and investments.

In November 1998, the Company purchased the exclusive rights, within the chline recruiting space, to technology originally developed by Junglee Corporation and owned, at that time, by Amazon.com (see Note 4 of Notes to Consolidated Financial Statements). The Company acquired technology and customers through this agreement. The Junglee technology has been integrated and enhanced and is the backbone of the Company's JobPost and Job Canopy services.

In May of 1999, the Company purchased Hireworks, Inc., a developer of innovative resume searching technology that automatically searches the entire Internet for resumes, matching them against customer specified criteria (see Note 4 of Notes to Consolidated Financial Statements). This technology has been enhanced and is today marketed as the Webhire Agent service.

INDUSTRY BACKGROUND

Recruiting has emerged as one of the most strategic corporate initiatives. J.S. employment, as reported by the U.S. Department of Labor, has reached historically high levels. In general, there is an unprecedented shortage of candidates available to fill an increasing number of jobs. In fact, today there is a "job gap"--according to some industry analysts there are over 2 million

jobs that remain open because there are no qualified candidates in the labor market to fill them. This is not a temporary phenomenon. U.S. Census data indicates that the population of 30-45 year olds, the primary labor pool for middle managers across U.S. corporations, peaked in 1997 and is actually declining in real terms. Today's candidate shortage represents the norm for the future labor market.

Traditional recruiting methods, print advertisements and professional recruiters (or "headhunters"), lose their effectiveness in a market where there is a shortage of candidates. During the past three years, the Internet has evolved into a sophisticated and ubiquitous communications infrastructure. The Internet has emerged as the critical medium for recruiting because it brings candidates and employers together in a directly connected marketplace. On the Internet, an employer has access to literally millions of resumes, they can post job openings at thousands of online job boards, and they can communicate with candidates in seconds.

Internet recruiting has become a central staffing strategy for today's corporation. How effectively a company utilizes the Internet for recruiting is rapidly becoming a synonym for how effectively a company recruits.

WEBHIRE INTERNET RECRUITING SOLUTIONS

The Company's Internet recruiting services enable organizations to recruit more efficiently in today's tight labor market. The Company's services enable corporations to reduce the time and effort required to source candidates on the Internet, provide tools that help corporate retruiters and hiring managers identify the best possible talent for open positions and enable the management of the entire staffing process online. Because the Company's primary solutions are provided to employers over the Internet, start-up times and extensive IT infrastructure requirements are eliminated.

DIRECT INTERNET SOURCING. The Company provides several services which enable corporate recruiters to directly source candidates from the Internet. The Company, as a result of the Yahoo!, Inc. business venture and its other partners, manages and maintains large pools of candidate resumes on the Internet. As of December 1999, there are approximately 250,000 resumes accessible for targeted searching through the Company's proprietary recruiting solutions. The Company, as a result of its HireWorks, Inc. acquisition,

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also offers an automated intelligent search agent that conducts resume searching and ranking across the entire Internet. It is estimated that approximately 2 million resumes are accessible through the Company's agent technology.

INTEGRATED INTERNET JOB POSTING. There are now hundreds of career sites and thousands of use.net discussion groups in existence on the Web, each with its own specific job posting format and protocol. A successful corporate recruiting strategy includes job posting to use multiple destinations that reach national, regional and special interest audiences. The Company provides integrated job posting solutions that enable jobs to be posted to multiple job boards in one simple operation. As of December 1999, the Company is managing 300,000 job postings on behalf of its customers.

RESUME PROCESSING. The creation of a private online electronic database of resumes is central to the Company's candidate management solutions. The Company processes resumes, faxes, e-mail and direct wer applications using the latest optical character recognition technologies. The Company processed approximately 2 million resume pages during 1999. The processed resumes are stored online in secure databases that are accessible only to the customer. The resulting electronic resume pool represents a knowledge asset that can be shared throughout an organization. Manual input is virtually eliminated, allowing organizations to collect and store skills and experience data on hundreds of thousands of candidates. The Company's services provide a shared, re-useable pool of candidates, limiting the need for organizations to use employment agencies and advertising to source candidates.

SOPHISTICATED SKILLS MANAGEMENT AND SELECTION. The Company's software uses

a sophisticated search process to rapidly identify and rank qualified candidates based on skills criteria determined by the user. User searches are enhanced by the Company's integrated skills library, which translates high-level job requirements into the words and synonyms commonly used by candidates on resumes.

CANDIDATE MANAGEMENT PROCESS. The Company's solutions incorporate a user-friendly, process-oriented graphical user interface (GUI) designed to simplify the administration of the candidate management process including job requisition creation and editing, candidate tracking, and integrated reporting on the hiring process and sourcing effectiveness. These capabilities reduce delays typical to the staffing process and eliminate redundancies.

By providing an easily-accessible, shared, re-useable pool of candidates, the Company's software allows organizations to significantly reduce recruitment aivertising costs and employment agency fees. In addition, the Company's software is designed to increase recruiter productivity through the elimination of manual entry of resume information and by increasing the efficiency of the hiring process.

STRATEGY

The Company's objective is to extend its current market leader position in the Internet recruiting marketplace to become the standard solution for corporate Internet recruiting. The Company has developed a pyramid of subscription-based Internet recruiting services that offer many different entry points into the Company's solution set. As sustomers' Internet recruiting needs mature and grow, the Company provides additional service offerings that extend the features and capabilities of the solution. Taken individually, the Company's services meet the needs of virtually the entire corporate recruiting marketplace. Today, the Company's solutions are used by companies as small as 25-50 employees, are the recruiting standard at hundreds of Fortune 1000 companies and are being adopted regularly across the broad market of companies in the middle market. The Company estimates that there are approximately 250,000 corporations and 25 million hiring managers in its target audience.

The Company's solutions range in price from hundreds of dollars per month for entry-level Internet sourcing tools, to tens of thousands of dollars a month for complete enterprise recruiting solutions. At the top of the Company's solution pyramid, a customer has an option to purchase and install the Company's solution as a traditionally licensed software application. The Company believes that the solution pyramid

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approach will yield larger subscription contracts through the placements of additional services at existing accounts.

PRODUCTS

The Company has developed a wide-ranging suite of service offerings that span many aspects of Internet recruiting. These offerings, which are sold primarily to small and mid-sized corporations, include Yahoo! Recruiter (introduced as Webhire Recruiter in November 1997, upgraded and renamed in September 1999), Yahoo! Resumes (introduced in December 1999), Webhire Agent (introduced in November 1999), and Webhire JobPost (introduced in November 1998). The Company also provides an infrastructure and site management service, Webhire JobCanopy, introduced in November 1998, to Internet media companies. Finally, the Company delivers Webhire Enterprise, released in June 1998 as a comprehensive recruiting automation suite designed specifically to meet the needs of large organizations.

YAHOO! RECRUITER, powered by Webhire, is a complete, end-to-end solution for Internet recruiting automation. Corporate recruiters use Yahoo! Recruiter to manage requisitions online, post jobs, search for candidates at Yahoo! Careers and within other Webhire-managed online candidate pools such as JWT Specialized Communications Resume Works, track hiring status and report on staffing activities. The service offering includes complete resume processing and management, enabling corporations to save money and resources by moving their entire recruiting process online.

YAHOO! RESUMES, powered by Webhire, provides customers with direct access to the candidate resumes at Yahoo! Careers. Using the service's sophisticated searching screens, customers can create skills based searches that are targeted geographically. The resulting ranked list of the best fitting resumes for a job puts talent in front of a recruiter or hiring manager in seconds, without the need for advertising campaigns and external recruiters.

WEBHIRE AGENT is an intelligent web agent that searches the entire Internet for resumes, evaluating and scoring found resumes against customer-defined skills requirements for a job opening. Webhire Agent returns a relevance ranked list of the best qualified resumes it discovered on the Internet. Optionally, Webhire Agent can initiate an e-mail correspondence with candidates who meet or exceed a user-specific scoring threshold.

WEBHIRE JOBFOST is an automated job publishing service that collects job listings from a customer's Web site and re-publishes those listings at career sites across the Internet. A customer subscribing to JobPost need only keep their careers pages up to date, the JobPost technology manages the movement of those jobs to the one or more job boards that the customer has designated. At any moment, the Company is managing approximately 300,000 active job postings using this technology.

.WEBHIRE JOB CANOPY is a technology that Internet media companies use to outsource the management of their online job listings to the Company. Job Canopy provides career sites with integrated job listings, automated job posting for their customers, job searching tools for job-seekers who visit the media company career site and a direct job posting connection to the Company's customers who are using the Company's JobPost service.

WEBHIRE ENTERPRISE is a complete, integrated recruiting automation suite designed specifically for large organizations. The technology can be delivered to customers as an ASP service or as traditionally licensed software. Webhire Enterprise incorporates requisition management, resume processing, candidate ranking, staffing workflow automation, and customizable reporting features. Through the service's Manager's Workbench option, customers can connect hiring managers across their organization enabling hiring managers to directly initiate job requisitions, review resumes online, manage team interviews and initiate a job offer. New hire information contained in the Webhire Enterprise database is easily integrated with PeopleSoft and SAP Human Resource Information Solutions.

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CUSTOMER SERVICES

The Company believes that superior customer service and support are critical to customer satisfaction. As of September 30, 1999, the Company's customer service organization included 60 employees, providing Professional Services, Technical Support and Outsourced Services.

PROFESSIONAL SERVICES. The Professional Services Group manages system implementation, provides additional services such as process design and system tailoring and provides basic and advanced training both online, on-site during system implementation and at the Company's Corporate Training Centers throughout the year.

TECHNICAL SUPPORT. The Technical Support Group provides daily assistance to customers with maintenance agreements through the Company's support help line. The Company provides support Monday through Friday from 8:30 a.m.+8:00 p.m. Eastern Time as well as 9:00 a.m.-6:00 p.m. Greenwich Time to support the Company's European customers.

OUTSOURCED SERVICES. Outsourced Services were introduced by the Company in July 1996 and consist of scanning services, provided principally through third-party arrangements, and correspondence generation.

TECHNOLOGY

YAHOO! RECRUITER

Yahoo! Recruiter, the Company's Internet-based service offering, is based on open, extensible Internet development tools. It makes wide use of standard technologies. This adherence to standard technologies ensures that Yahoo! Recruiter can be scaled as demand for the service increases. Client access to the Webhire system is provided through either Microsoft or Netscape World Wide Web browsers.

WEBHIRE ENTERPRISE

Webhire Enterprise is a Microsoft Windows-based application which operates over a standard TCP/IF intranet connection. The application server component of the product utilizes Microsoft Windows NT Server and Microsoft Internet Information Server. Client access is provided via both a Windows application and a browser interface which is compatible with Microsoft Windows 95/98 or Microsoft Windows NT. This architecture combines the functionality of a traditional client/server application with the easy deployability of an intranet application.

PRODUCT DEVELOPMENT

The Company believes that its future success will depend upon its ability to enhance its existing software and develop and introduce new products and functions which keep pace with rapid changes in the marketplace. The Company has made increasing investments in its engineering and quality groups to broaden its product and service offerings, enhance product functionality, improve performance and expand the ability of its software to inter-operate with third-party software. Research and development expenses totaled (in thousands) \$7,798, \$5,588 and \$5,446 for fiscal years 1999, 1998, and 1997, respectively. While the Company expects that certain of its new products and functions will be developed internally, the Company may, based on timing and cost considerations, expand its product offerings through acquisitions or strategic relationships. Software products as complex as those currently under development by the Company are subject to frequent delays and there can be no assurance that the Company will not encounter difficulties that could delay or prevent the successful and timely development, introduction and marketing of these potential new products.

6

SALES AND MARKETING

The Company markets its Recruiter service through telesales representatives and sales personnel located in Lexington, Massachusetts, Foster City, California, and Chicago, Illinois. The average sales cycle for this service is substantially shorter than that experienced for the Company's enterprise products.

The Company markets its enterprise products and services through a direct sales force in North America. The Company supports its sales force through comprehensive marketing programs which include public relations, direct mail, advertising, seminars, trade shows, ongoing customer communication programs and strategic relationships. While the sales cycle varies from customer to customer, it typically spans four to nine months from generation of a lead from one of these sources to execution of a license agreement. The Company's direct sales force is structured regionally and is managed through sales and service offices in Lexington, Massachusetts and Foster City, California, and through sales personnel located in Dallas, Chicago, New York, Raleigh, and Toronto.

CUSTOMERS

The following is a partial listing of the Company's customers as of September 30, 1999:

FINANCIAL SERVICES Aim Management Group American Express Bank of America

INSURANCE Trigon Blue Cross/Blue Shield Akamai Technologies John Hancock Phoenix Home Life

E-COMMERCE Art Technology Group CMGT

BankBoston M&T Bank Visa USA The World Bank

PUBLISHING/ENTERTAINMENT Blockbuster Entertainment Gannett The New York Times Paramount Pictures Random House

ENGINEERING/CONSULTING CH2M Hill Logica Mason & Hanger

HEALTHCARE/PHARMACEUTICALS
Corp.
Abbott Laboratories
Bristol Myers Squibb
Johnson & Johnson
The Mayo Clinic
Memorial Sloan Kettering
PacifiCare
Pfizer
SmithKline Beecham
Genentech

Prudential

TECHNOLOGY/COMMUNICATIONS Amdahl The Boeing Company EMC Hewlett-Packard Lockheed Microsoft

CONSUMER
British Airways
Canadian Tire
Cargill
Levi Strauss
Nabisco
Staples
Starbucks

the good guys!

daly.commerce Encoding.com iCopyright.com Inforonics LifetecNet.com living.com Morningstar, Inc. Oasis Technology One to One Interactive Open Market, Inc. Open Text Corporation PC Connection Pets.com Point.com, Inc. SilknetSoftware.com Silverstream Value America WebLine Communications

Yahoo! Inc.

7

STRATEGIC RELATIONSHIPS

The Company has established a number of relationships both to leverage marketing channels and complementary technologies and to meet customer demands for open, integrated, multi-vendor solutions. Strategic partners are categorized into four groups: Technology Partners, who provide the Company with innovative technologies that are integrated into the Company's products; Applications Partners, who provide the Company's customers with value-added software, consulting or other services that are complementary to the Company's software and services and that enable the Company's customers to better utilize the Company's software; Service and Implementation Partners, who extend the Company's support, implementation and service offerings by delivering the specialized services our customers need; and Internet/Information Partners, who provide the Company's customers with the ability to access and distribute crucial staffing information, including job postings, candidate information, and resumes, often via the Internet. Examples of the Company's strategic partners include:

YAHOO!, INC.

In June 1999, the Company entered into an alliance with Yahoo!, Inc. Through this alliance, the Company develops, markets, and supports three services which are co-branded with the Yahoo! name: Yahoo! Recruiter, a complete end-to-end Internet recruiting solution which is sold primarily to corporate recruiters, Yahoo! Careers Resume Shop, a free resume management service which is offered at Yahoo! Careers, and Yahoo! Resumes, an online tool that corporate recruiters use to search the resumes contained in the Yahoo! Careers Resume Shop database. The Company's solutions are the exclusive means for corporations to gain access to the online candidates within the Yahoo! Careers Resume Shop. The Company shares revenues from these services with Yahoo!.

VERITY, INC.

The Company's software incorporates the text search software tools developed by Verity, Inc., a Technology Partner, which allows Webhire clients to search through vast amounts of candidate and job data, delivering only the most relevant information directly to the desktop.

Reuning, S.M. "Candidate Chaser" Serial No. 08/984,650

EXHIBIT B

5

Win the race for candidates with Internet recruiting, powered by Webhire.

Your company is growing and you need to <u>fill jobs now</u>. Who can help you <u>find the candidates</u>? Webhire can.

Webhire tools and services connect your company to the wealth of <u>recruiting</u> <u>resources</u> on the Internet. Make the same decision that over 1000 innovative <u>hiring</u> <u>companies</u> have – ranging from rapidly growing Internet companies like pets.com and Akamai to <u>Fortune 500 companies</u> including Boeing, BankAmerica, and American Express.

Earn \$1,000 Today!





Start your recruiting by searching the tens of thousands of resumes in the fast-growing Yahoo! Careers database of Internet-sawy job seekers.



Harness the power of Internet Recruiting! The complete <u>Internet recruiting solution</u>, hosted entirely on the Web.



Your intelligent on-line recruiter – <u>Agent</u> automatically searches the Internet, finding the right candidates for you.



Deployed through an Application Service Provider (ASP) or in-house on your corporate intranet, <u>Webhire Enterprise</u> brings you the leading automated recruitment solution.

Webhire Agent

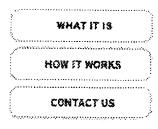
Probe the Internet for candidates...automatically!

Get More Info

Webhire Agent • WHAT IT IS

Put your candidate search on autopilot! Webhire Agent intelligently searches the Internet to locate and qualify the best candidates . . . proactively contacting each one!

Webhire Agent is the closest thing to having a real, live recruiter out searching the Internet to fill your company's open positions. It lets you dramatically reduce the time and cost associated with finding qualified candidates . . .so you can spend your valuable time closing candidates and filling jobs!



Webhire Agent handles the entire candidate search cycle:

- It searches thousands of Web sites, newsgroups, bulletin boards, and subscription services to
 locate candidates that match specific job skills, experience and location criteria rapidly, without
 your involvement.
- It uses advanced natural language screening technology to filter out non-relevant information, while uncovering the resumes other search tools miss.
- It automatically sends a personalized message to each candidate, urging them to visit your Web site or reply via e-mail just like a human recruiter!

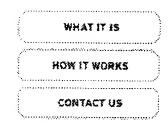
There are more than 22 million job seekers on the Internet — find them quickly, efficiently and automatically with Webhire Agent!

Webhire Agent > How IT WORKS

Webhire Agent uses advanced search/screen technology to automate the entire process of finding qualified candidates on the Internet.

It's Intelligent

Webhire Agent is smarter than search engines and other online recruitment tools. Its advanced natural language/rules-based technology actually distinguishes resumes from other types of information on the Internet. It extracts resume data to obtain skill, location, contact, and other relevant information, automatically comparing this data to your search criteria.



It's Thorough

Based on its intelligent search, Webhire Agent creates a consolidated, ranked list of qualified candidates and previous search results are retained to ensure only new candidates are identified. Webhire Agent then automatically contacts each candidate with a personalized email message, inviting them to visit your Web site or correspond by e-mail to register their interest in the position.

It's Effective

Because Webhire Agent analyzes the entire text of each resume, instead of limited keywords, it finds the candidates other search tools miss. It evaluates each candidate's qualifications, geographic location, and resume date to put the best candidates at the top of the list.

It's Efficient

By reducing the time and cost of locating qualified candidates, Webhire Agent frees recruiters to focus on what they do best-interviewing and closing the candidates your company needs to compete.

Give your recruiters the intelligent, automated edge in Internet recruiting . . . Webhire Agent!

Webhire provides Internet Recruiting solutions to corporations that help employers use the Web to quickly and cost-effectively post jobs on the Web, attract and evaluate talent and manage the hiring process.

With equity partners like SOFTBANK and Yahoo!, Webhire is the leading ASP in the Internet Recruiting Marketplace.

We are traded on NASDAQ under the symbol HIRE.

Webhire Facts News and Events Investor Information Employment Opportunities Partners



UNITED STATES DEPARTMENT OF COMMERCE Patent and Trademark Office ASSISTANT COMMISSIONER FOR PATENTS Washington, D.C. 20231

MARK POHL 55 MADISON AVENUE, 4TH FLOOR MORRISTOWN, NJ 07960 Mailed

MAR 2 2 2000

Director's Office Group 2**7aber** No. 13

In re Application of Ruening Appl. No.: 08/984,650

Filed: December 3, 1997

For: CANDIDATE CHASER

DECISION ON PETITION TO MAKE SPECIAL

37 CFR 1.102

This is a decision on the petition under 37 CFR 1.102, filed February 22, 2000, to make the above-identified application special.

Petitioner(s) request that this application be made special under the accelerated examination procedure set forth in MPEP 708.02, Section II: Infringement.

A grantable petition to make an application special under 37 CFR 1.102 and in accordance with MPEP 708.02, Section II, must be accompanied by the required fee pursuant to 37 CFR 1.17(i) and a statement by applicant(s) or assignee or a statement by an attorney/agent registered to practice before the PTO in support of the petition stating:

- 1. that there is an infringing device or product on the market or method in use,
- 2. that a rigid comparison of the alleged infringing device, product or method with the claims of the application was made,
- 3. that some of the claims are unquestionably infringed, and
- 4. that a careful search of the prior art was made or that applicant(s) have good knowledge of the pertinent prior art.

The petition meets the requirements for special status.

For the above stated reasons, the petition is Granted.

If the examiner can make this application special without prejudice to any possible interfering application, and the examiner should make a rigid search for such, the examiner is authorized to

do so for the next action. Should the application be rejected, the application will not be considered special for the subsequent action unless the applicant promptly makes a bona fide effort to place the application in condition for allowance, even if necessary to have an interview with the examiner to accomplish this purpose.

If the examiner finds any intervening application for the same subject matter, the examiner should consider such application simultaneously with this application and should state in the official letter of such application that the examiner has taken it out of turn because of a possible interference.

Should an appeal be taken in this application or should this application become involved in an interference, consideration of the appeal and the interference will be expedited by all PTO officials concerned, contingent like upon diligent prosecution by applicant.

The petition is granted to the extent indicated.

James J. Groody

(703) 308-5461

Special Program Examiner

James From

Technology Center 2700

Communications and Information Processing



UNITED STATES DEPARTMENT OF COMMERCE Patent and Trademark Office

Address: COMMISSIONER OF PATENTS AND TRADEMARKS

Washington, D.C. 20231

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR			TTORNEY DOCKET NO.
MARK POHL 55 MADISON 4TH FLOOR MORRISTOWN	AVENUE	TM1170703	٦.	EXAMINER FOUNDATION OF THE PROPERTY OF THE PRO	
	NJ 07960			ART UNIT	PAPER NUMBER
				DATE MAILED:	07/03/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks



Application/Control Number: 08/984,650

Art Unit: 2163

Allowable Subject Matter

REASON FOR ALLOWANCE

- 1. Claims 4-18 are allowable.
- 2. The Office action of paper number 22 has been vacated since there is not adequate evidence that the references could be obviously combined together, particularly in light of applicant's arguments.
- 3. The following is an examiner's statement of reasons for allowance:

This instant invention is directed to a nonobvious improvement over the invention described in Patent number 5,832,497 to Taylor. This invention teaches the combination of comparing text against professional qualifications and electronically extracting e-mail addresses when those qualifications are met as recited in independent claim 4. Taylor only performs the comparison of text and does not suggest any extraction step involving e-mail data. There is no evidence that it would have been obvious to modify Taylor to perform extraction of e-mail addresses.

Drawings

4. The application having been allowed, formal drawings are required in response to this Office action.

Page 2

Formal drawings are now required and must be filed within the THREE MONTH shortened statutory period set for reply in the "NOTICE OF ALLOWABILITY" (PTOL-37 or PTO-37). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a). Failure to timely submit the drawings will result in **ABANDONMENT** of the application. The drawings should be submitted as a separate paper with a transmittal letter which is addressed to the Official Draftsperson. The art unit number, application number and number of drawing sheets should be written on the reverse side of the drawings.

Conclusion

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Romain Jeanty whose telephone number is (703) 308-9585. The examiner can normally be reached on weekdays from 7:30 a.m to 6:00 p.m.

If attempts to reach the examiner are not successful, the examiner's supervisor, Tariq R Hafiz can be reached at (703) 305-9643.

The fax number for Formal or Official faxes to Technology Center 2700 is (703) 308-9051 or 9052. Draft or Informal faxes for this Art Unit can be submitted to (703) 308-5357.

Any inquiry of a general nature or relating to the status of this application should be directed to the group receptionist whose telephone number is (703)308-3900.

Romain Jeanty

Art Unit 2163

June 29, 2001.

SAM RIMERE PRIMARYGRAMMENT AU 2466

(12) United States Patent Reuning

(10) Patent No.:

US 6,381,592 B1

(45) Date of Patent:

*Apr. 30, 2002

(54) CANDIDATE CHASER

(76) Inventor: Stephen Michael Reuning, 510

Horizon Center, Robbinsville, NJ (US)

08691

(*) Notice: This patent issued on a continued pros-

ecution application filed under 37 CFR 1.53(d), and is subject to the twenty year patent term provisions of 35 U.S.C.

154(a)(2).

Subject to any disclaimer, the term of this patent is extended or adjusted under 35

U.S.C. 154(b) by 0 days.

(21) Appl. No.: 08/984,650

(22) Filed: Dec. 3, 1997

(51) Int. Cl.⁷ G06F 17/60

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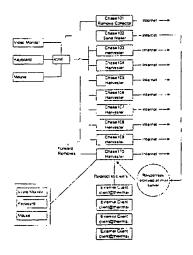
Primary Examiner—Sam Rimell
Assistant Examiner—Romain Jeanty
(74) Attorney, Agent, or Firm—Pharmaceutical Patent Law,

(57) ABSTRACT

LLP

The Candidate Chaser machine and method automatically locates Internet site pages and web postings which contain operator specified keywords or Boolean combinations and then extracts all electronic mail addresses from those pages as well as hyper-linked pages to as many linking levels as selected by the operator and then sends a job opportunity description in the form of an electronic mail message to each of the extracted addresses then receives responses from recipients of the job opportunity message then filters those messages by reading their text and forwards only desired responses to the candidate seeking client's electronic mail address thusly sparing the client interaction with large amounts of irrelevant response while presenting viable candidates for a given job opening. It applies a distinctive and non-obvious method for delivering identical electronic mail messages to a group of targeted potential job candidates sharing a specifically desired single or set of common experiences, interests, capabilities, professional titles or talents relating to the needs of the candidate seeking hiring entity and handling their response.

15 Claims, 2 Drawing Sheets



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5245532: Electronic mail follow-up system Inventors: Mourier; Yves P., Lagny, FranceAssignees: International Business Machines Corporation, Armonk, NY Contact the IBM Licensing Department for information about this patent Issued: Sep. 14, 1993 Filed: Jun. 12, 1989 Serial No.: 364944 Maint. Status: Intl. Class (Ed. 5): G06F 15/40; G06F 13/00; U.S. Class: 364-400; 395-650; 395-700; Field of Search: 395-650,700; Agents: Dillon; Andrew J.; Attached as Prior Art Document #28 Located on p. 163.

5040141: Method for administrating reply mail in electronic mail system Inventors: Yazima; Kazunori, Komae, Japan Mizuno; Yasuhiko, Kashiwa, JapanAssignees: Hitachi, Ltd., Tokyo, Japan Issued: Aug. 13, 1991 Filed: Nov. 23, 1987 Serial No.: 123930 Maint. Status: CC Intl. Class (Ed. 5): G06F 13/10; U.S. Class: 364–900; 364–919.5: 364–940.9; 364–937; Field of Search: 364–200 MS File, 900 MS File,300; 379–089; 340–313,825.06; Agents: Fay, Sharpe, Beall, Fagan, Minnich & McKee;, Attached as Prior Art Document #29 Located on page 156.

5632018: Electronic mail system Inventors: Otorii; Keiichi, Kawasaki, Japan Assignees: Fujitsu Limited, Kanagawa, Japan Issued: May 20, 1997 Filed: Sep. 13, 1993 Serial No.: 120966 Maint. Status:Intl. Class (Ed. 6): G06F 13/00; G06F 13/38; U.S. Class: 395–200.04; 395–200.12; 395–200.16; Field Of Search: 395–200,700,200.03,200.04,200.12,200. 16; 369–514; 364–900,551; 379–034;, Attached as Prior Art Document #+Located on p. 169.

5408334: Method and apparatus for having a processor execute a job utilizing an electronic mail system inventors: Yamagishi; Tadashi, Yokohama, JapanIshimaru; Masahiko, Fujisawa, Japan Fujita; Fujio, Yokohama, JapanIchikawa; Yoshikazu, Fujisawa, JapanNamba; Hideki, Hadano, JapanKokunishi; Motohide, Kokubunji, JapanHirano; Michio, Chigasaki, JapanKozuma; Kaoru, Yokosuka, Japan-Hirosawa; Toshio, Machida, JapanItoh; Tutomu, Kanagawa, JapanUeoka; Atsushi, Hachioji, JapanSasaki; Shigeru, Kamakura, Japan Nakamura; Kazuyuki, Tokyo, Japan Assignees: Hitachi, Ltd., Tokyo, Japan Hitachi Software Engineering Co., Ltd., Tokyo, Japan Hitachi Electronics Services Co., Ltd., Tokyo, Japan Issued: Apr. 18, 1995 Filed: Nov. 23, 1993 Serial No.: 155794 Maint. Status: Intl. Class (Ed. 6): HO4M 11/00; U.S. Class: 358-402; 379-088; Field of Search: 358-402-403; 379-88,96; Agents: Antonelli, Terry, Stout & Kraus; Attached as Prior Art Document #31 Located on p. 172.

5487100: Electronic mail message delivery system Inventors: Kane; John R., Wellington, FL Assignees: Motorola, Inc., Schaumburg, IL Issued: Jan. 23, 1996 Filed: May 17, 1994 Serial No.: 248853 Maint. Status: Intl. Class (Ed. 6): H04M 11/00; U.S. Class: 379–057; 379–096; 340–825.44; 340–825.07; 340–825.15; 340–825.17; 340–311.1; Field of Search: 379–57,56,96,88,89; 340–825.44,311.1,825.07,825.15,825.17,825.27,825.26; Agents: Gardner; Kelly A.; Moore; John H.;, Attached as Prior Art Document #32 Located on p. 175.

5613108: Electronic mail processing system and electronic mail processing method Inventors: Morikawa; Takashi, Nishinomiya, Japan Assignees: Minolta Camera Kabushiki Kaisha, Osaka, Japan Issued: Mar. 18, 1997 Filed: Feb. 18, 1994 Serial No.: 198900 Maint. Status: Intl. Class (Ed. 6): G06F 17/30; U.S. Class: 393–616; 379–093; Field of Search: 395–600; 379–093; 364–419; Agents: Price, Gess & Ubell;, Attached as Prior Art Document #33 Located on p. 179.

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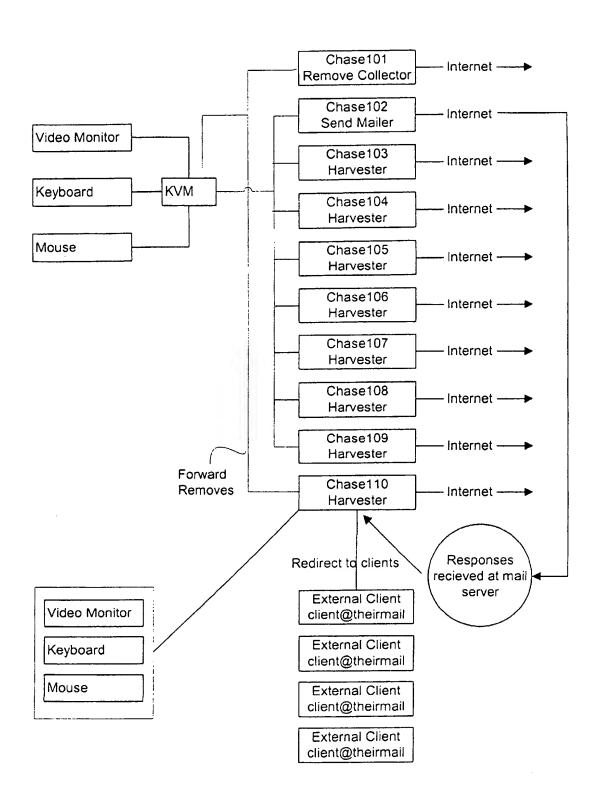


FIG. 1

Apr. 30, 2002

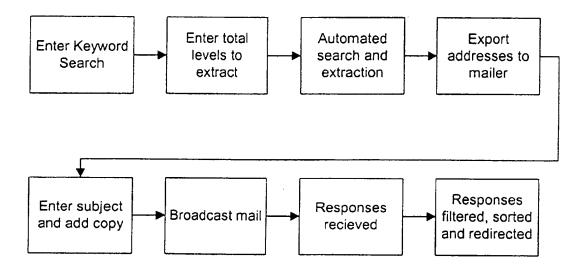


FIG. 2

CANDIDATE CHASER

BACKGROUND—FIELD OF INVENTION

This invention relates to the process of recruiting new employees, specifically harvesting email addresses belonging to potential viable candidates from sites and postings searched for and found on the Internet and sending specifically related help wanted advertisements via electronic mail to those addresses then receiving, filtering, sorting and distributing the response.

BACKGROUND—DESCRIPTION OF PRIOR ART

Classified help wanted advertising in print, television and radio media as well as postings of help wanted advertisements on Internet web sites are a common practice. Such mediums for prospecting employment candidates are passive in the context of the candidate seeker's objectives. They require the reaction of a potential job seeker who must be reading a specific periodical, watching or listening to a specific broadcast or visiting a specific internet web site or requested a specific push technology internet broadcast. There are too many job opportunity broadcasts and sites available for any job seeker to peruse even a minor percentage on a timely basis. A candidate seeker could attempt to advertise through every applicable site and medium in order to reach every potential candidate however such a strategy is impractical if not impossible. Even if it were practical or possible the candidate seeker would not reach viable candidates who are not actively searching job opportunity advertising sites. The United States Federal Government predicts demand for technical labor in such areas as information technology, sciences, biotechnology and engineering to exceed supply by as much as fifteen percent by the year 35 2002. In such a situation competitive employers require more aggressive means to prospect employment candidate than the prior mentioned passive methodologies.

Bulk electronic mailing is a common process used to broadcast messages to groups of email addresses collected in databases however the processes used prior to Candidate Chaser are static and the targeting is dependent on preassembled databases of email addresses. In such cases where email address lists are procured from a database sources mailers are subject to limited accuracy on two categories: first, are the addresses still active, second, are the individuals interested in receiving email related to the mailers' offerings. Furthermore, the present state of electronic mail address databases does not permit the targeting of addresses based on the individual owner's experiences, interests, 50 capabilities, professional titles or talents.

While bulk electronic mailing is unquestionably legal, there is a powerful lobby opposing general broadcasts of large untargeted and unsolicited bulk electronic mailings which consume huge amounts of internet communication 55 bandwidth causing system delays, increased cost without benefit and mail server failures. Such mailings are broadcast to high quantities, 50,000–200,000 addresses at a time, in the hopes that a fraction, perhaps one tenth of a percent will reach a viable and interested audience. Most of the bandwidth consumption would not be necessary if a more targeted approach was used.

Employers spend over a billion dollars every year in the United States on employment agency fees, classified advertising costs, recruiting staff, the design of recruitment prosgrams and software and referral bonus programs. Many of those employers are large companies that have invested

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tremendous development resources into solving their recruiting problems and cost reduction yet not a single one of them has created an automated recruiting system like the Candidate Chaser machine and process patented herein. The articles attached and labeled as Prior Art Documents #27, 34, 35, 36, 37, 38, 39, 40, 41 and 42 indicate a recruiting industry searching for internet solutions to recruiting difficulties yet none suggest a solution similar to that presented by the Candidate Chaser machine and process supporting the position of unobviousness relating to the Candidate Chaser machine and process.

Most workers would like to be informed of employment opportunities with quality of life improving advantages including but not limited to compensation increases, advanced training, enhanced benefits, more challenge, diversity and improved career path provided notices of such opportunities were made at the workers' convenience and that workers are not overwhelmed with non-applicable job offerings. Employment agencies and headhunters serve such a purpose but they are prohibitively expensive. No automated and more cost effective alternative was available until the herein described Candidate Chaser was invented.

Present job opportunity advertising systems take days and weeks to reach potential candidates.

While my research indicates no present use of bulk electronic mail for targeted help wanted advertising, use of available bulk email systems would result in "bad address" responses from servers, remove responses, and revenge "flames" from anti-spammers burdening and crashing the advertisers' incoming electronic mail system.

A search of the IBM Patent Server at http:// patent.womplex.ibm.com looking for the following words individually in the "abstract" field: recruit, recruiting, hire, hiring, job, candidate, classified, position, bulk, addresses, and recruitment turned up no relevant matching or related patents. A search on the same database for the phrase "electronic mail" turned up no apparently related patents except those patenting the process of sending and receiving electronic mail itself. The patent information and abstract which appear most closely related are attached and labeled as: Prior Art Document #28 U.S. Pat. No. 5,245,532, Prior Art Document #29 U.S. Pat. No. 5,040,141, Prior Art Document #30 U.S. Pat. No. 5,632,018, Prior Art Document #31 U.S. Pat. No. 5,408,334, Prior Art Document #32 U.S. Pat. No. 5,487,100, and Prior Art Document #33 U.S. Pat. No. 5,613,108.

A search for articles and publications discussing "recruiting on the Internet" turned up two hundred forty nine separate documents. While discussing the use of electronic mail for the circulation of resumes and discussion of job possibilities, no reference is ever made to any recruiting solution that even remotely resembles the Candidate Chaser machine and process. I believe this supports the unobviousness of the Candidate Chaser machine as a solution to recruiting difficulties. Those articles which best represent present art on the subject of "recruiting on the Internet" are attached and labeled as Prior Art Documents #27, 34, 35, 36, 37, 38, 39, 40, 41 and 42.

There are a good number of commercially available computer software programs which can perform certain functions of the Candidate Chaser machine. However, none of them alone or in obvious combination accomplish the task of the Candidate Chaser. The said commercially available computer software programs are described in the attached Prior Art Documents #1, 2, 3, 4, 5, 6, 7, 18, 19, 20, 21, and 22.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is an overview of a computer local area network suitable for practicing my invention.

FIG. 2 is an overview of an alternative computer system 5 suitable for practicing my invention, where a local area network is optional.

OBJECTS AND ADVANTAGES

The Candidate Chaser machine automatically locates 10 Internet site pages and web postings which contain operator specified keywords or Boolean combinations and then extracts all email addresses from those pages as well as linked pages to as many linking levels as selected by the operator and then sends a job opportunity description 15 enclosed in an electronic mail message to each of the extracted addresses then receives responses from recipients of the job opportunity message then filters those messages by reading their text and forwards only desirable responses to the candidate seeking client's electronic mail address 20 publicly available and proprietary software computer prothusly sparing the client interaction with large amounts of irrelevant response while presenting viable candidates for a given job opening.

The Candidate Chaser machine operator inputs keywords then commands the Candidate Chaser machine to interact 25 with the infinite number of interface possibilities available on the Internet. The operator is not required to conduct or observe the cumbersome, tedious, frustrating and agonizingly slow task of reviewing data contained on Internet web sites, newsgroup postings and other data sources that may 30 exist from time to time on the net. Once started the Candidate Chaser machine conducts the Internet search without operator intervention.

The Candidate Chaser process does not use a static database as its source of addresses but instead takes advan- 35 tage of the dynamic properties of the Internet where new information is added every minute somewhere on the planet. Candidate Chaser does this by reading internet sites online and extracting email addresses as they appear on targeted sites, postings and broadcasts just prior to broadcasting a job 40 opportunity advertisement

Job opportunity announcements are communicated to potential candidates within hours.

Candidate Chaser job opportunity advertisements are delivered directly to the worker's email box therefore she/he is not required to search for applicable job offerings.

Workers view the Candidate Chaser job opportunity advertisement by choice at their convenience any time night or day since the advertisement arrives and resides in the email message box until they take an action or their software automatically discards it based on their previously set filters.

Job opportunity advertisements broadcast by Candidate Chaser stimulate workers to consider new career opportunities even when they are not actively seeking new employment thusly expanding the universe of candidates beyond those available to the employer through passive advertising methodologies.

Specific job opportunity ads are only broadcast to specifically applicable individuals who made their email 60 addresses available on their resumes, on web pages indicating subject matter related to the job opening or on new group postings where subjects related to the job opening were specifically discussed.

nity advertisements easily eliminate their addresses from any potential future mailings by typing "remove" into the

message subject heading and executing their mail programs "reply" command.

The customized harvesting of email addresses focused on the specific needs of each job opportunity advertisement individually results in relatively low quantities of advertisements broadcast. And much less broadcast bandwidth waste due to non-applicable recipients.

The Candidate Chaser process costs less per hire to operate than other recruitment methods.

Responses to electronically mailed advertisements are automatically processed through software filters: protecting job opportunity advertisers from "flames", storing removal committed addresses into a universal database, and sorting qualified responses to the appropriate hiring authorities email box.

SUMMARY

The Candidate Chaser process uses a combination of grams and generally available computer hardware and computer peripherals to operate as a single unit as a means to harvest email addresses of specifically targeted individuals based on their work experiences and interests, then broadcasts a job opportunity advertisement to the recipients at the harvested addresses and then appropriately sorts and redirects consequential response to remove databases, or to quality control functions or to clients' electronic mail addresses and deletes responses from the virtual mail server.

DESCRIPTION FIG. 1 and FIG. 2

The Candidate Chaser machine hardware description herein is for illustration purposes only. It should be noted that the number of general purpose computer processors and the method for interfacing them, for example KVM's (Keyboard, Video, Mouse switch) used, may vary depending on the required capacity and improvements in hardware available. Factors that would affect required capacity include but are not limited to the number of outgoing mailings projected on a daily basis, the size of the address collection lists to which the messages will be directed, the frequency of mailings and the number of responses expected.

While the number of general purpose computer processors included in a single Candidate Chaser unit may be increased, perhaps infinitely, the unit always requires at least one general purpose computer processor unit. The Candidate Chaser machine unit always requires the same types of software working in combination as described herein as the candidate chaser process.

The first Candidate Chaser unit constructed and described herein was assembled from single general purpose computers installed with the Windows 95 Operating System.

Systems other than Windows 95 could be used to conduct the candidate chaser process. Other widely accepted operating system platform such as Unix, OS2, and Macintosh as well as any operating system platforms that may come available from time to time could be used provided they meet the ability to allow for the operation of computer software programs necessary to the outcome of the Candidate Chaser process.

The Candidate Chaser machine presently in operation consists of ten general purpose computers manufactured by Individuals adverse to receiving additional job opportu- 65 the Compaq computer company each equipped with a 150 mhz pentium processors by Intel, 24 megabytes of ram, a 1.4 gigabyte hard-drives and 28.8 k internal modem. The units

are stacked together one on top of the other, held together by a computer rack that is attached to a platform with four sets of swiveling wheels. Attached to the rack above the ten general purpose computer processors are two video monitors one placed above the other. The computer monitors are also 5 manufactured by Compaq computer company. Above the monitors are three switches commonly known as KVM's manufactured by a company called Belkin which are used to switch the keyboard and monitor and mouse interfaces from one general purpose computer to another. The purpose of the 10 KVM configuration is to reduce the need for monitors, mouse's, and keyboards. The operator of the Candidate Chaser machine unit and process requires the use of a monitor and keyboard to interface with the individual general purpose computers only at certain times during the 15 process. Therefore, it is not necessary to have a number of keyboards mice, and monitors equal to the number of general purpose computers.

Specialized cabling connects the computers to the KVM switches and the KVM switches to the monitors, mice, and $\,^{20}$ keyboards. The RJ11 modem ports are connected by cable to ten separate telephone trunk lines installed by the telephone company on the walls of the facility where the Candidate Chaser machine is operated.

A substitute for the modem connections could be a 25 network connection, such as ethernet, to a router and subsequent ISDN, T1 or fraction thereof, T3 or fraction thereof, or any other telecommunication link to the Internet that may be available.

Attached to the front of the Candidate Chaser machine is a platform that is approximately 36 inches by 12 inches providing a flat surface on which the two keyboards and two mice can rest. The platform is attached to a swivel mechanism so the keyboard height may be adjusted for the comfort 35 of the Candidate Chaser machine and process operator.

To provide for a means of organized reference and procedure manuals, during communication regarding the process and descriptions the individual general purpose com-103, chaser 104, chaser 105, chaser 106, chaser 107, chaser 108, chaser 109, chaser 110.

Chaser 101 is used to receive mail forwarded from chaser 110. Chaser 110 forwards certain pieces of received mail to chaser 101 so that a program installed on chaser 101 can 45 extract the address from the any received message then store the address in a text file so that it may be imported at another time into a file labeled the "remove file" that is referred to later in the process. Chaser 101 is programmed to use an Internet connection to a mail server so it may download 50 electronic mail messages sent to said server by chaser 110. A software computer program called "Replyman" manufactured by ExtractorPro (see Prior Art Document #7) is installed on chaser 101 and serves the purpose to extract the addresses from the downloaded messages and store them 55 into a text file. It is not required that the software "Replyman" be used to execute this process. A programmer experienced in this technology could write a simple program to perform this task using any of an assortment of language compilers such as C, Basic, Assembler, or Cobol.

Chaser 102 is configured to establish a connection with a server providing smtp access for the purpose of delivering electronic mail. A software program called "ExtractorPro Mailer" is installed for the purpose of importing data from text files created by the other chaser harvesting units which 65 are installed on chaser 103, 104, 105, 106, 107, 108, 109. Chaser 102 is equipped with the mailing program so that it

may import the addresses from the text files, provide for the compilation of a job opportunity advertising message, a subject and a from field. The software also completes the broadcast of the message to all the extracted addresses through a smtp channel or multiple smtp channels over the Internet. In addition to ExtractorPro mailing program there are similar computer software programs available to accomplish the same purpose as ExtractorPro's. Those computer programs included but are not limited to computer software packages called Mach10, Stealth, and NetContact. The capabilities and details regarding these computer software programs are included in the Prior Art Documents attached to this application. Chaser units 103, 104, 105, 106, 107, 108, and 109 are installed with computer program software called "WebWeasel" which is described in the attached Prior Art Document #7. Based on operator commands, the WebWeasel software executes a search of the Internet seeking web sites that contain the keywords entered by the Candidate Chaser Machine and Process operator and then download the text of the discovered web sites into the memory of the general purpose computer and then compare the text of the web site to an algorythm that recognizes a combination of characters which represent an electronic mail address and then store the electronic mail addresses into a database or text list for export to the mailing broadcast computer software at a later stage in the process. The Candidate Chaser Machine must be installed with computer software program that will enable it to search for web sites containing operator entered keywords and extract electronic mail addresses from the discovered web sites. It is not necessary for a Candidate Chaser Machine to be equipped with "WebWeasel" computer software. There are other computer software programs available including but not limited to: Sonic, Web Collector, and Net Contact which are described in the Prior Art Documents attached to this application.

OPERATION AND PROCESS DESCRIPTION FIG. 1 and FIG. 2

The typical Candidate Chaser machine consists of one or puters are labeled as follows: chaser 101, chaser 102, chaser 40 more general purpose computers equipped with microprocessor, ram, hard disk drive, a communication interface that links the computer(s) to the Internet, one or more keyboards and mouse interface, one or more monitors, and software to be described later. If one monitor is used with multiple computers then a KVM keyboard mouse monitor switch box is employed so operator may switch monitor and keyboard interfaces between computers.

> The general purpose computers are physically connected to a network router that can consist of simple analog modems connected to simple telephone lines or more complex digital routing methods but in all cases access to the Internet is necessary.

> Installed commercially available "offline browsing" computer software enables the operator to instruct the machine to locate websites and postings, accessed via the internet, which contain operator specified keywords or Boolean combinations and then to download and store the address of the located matching websites and postings into memory. The address is in the format of the URL (Universal Resource Locator)or other address indicator protocols used on the Internet. The machine immediately or at another time downloads the text from the files at the addresses which were located and stored in memory.

> The keywords and Boolean combinations entered into the machine should be closely related to the experiences, interests, capabilities, professional titles or talents desired in applicable job candidates.

The operator may instruct the machine to locate Hyper Text Markup Language Links, which are embedded addresses to other files on the Internet, on any of the website pages or postings turned up by the search. The operator may instruct the machine to follow the Links to their respective 5 sites and locate more links at those sites. The operator may instruct the machine to follow the links as many level as desired. The number of link levels to search are determined by the focus required of the collection of addresses sought.

Once the text of a site or posting is downloaded the 10 machine searches the text of the downloaded file for character strings representative of electronic mail addresses and saves those addresses in memory or disk storage. Presently, the electronic mailing protocol dictates that a filtering algorithm be used as follows: extract any string of characters that 15 fits "space"_*@*.*_"space" where "*" is a wildcard variable representing any combination of characters.

The machine continues to download and store site and posting addresses and download and store text into memory and extract addresses without continued operator action until 20 all applicable extractions are completed or the operator instructs the machine to stop.

Collections of addresses may be stored in separate electronic storage files for repeated retrieval at later times.

Since the collected addresses are extracted from sites and postings containing the specified keywords or Boolean combinations, it is reasonable to predict that a consequential number of those addresses will belong to individuals with experiences, interests, capabilities, professional titles or 30 talents related to those keywords or Boolean combinations.

Installed commercially available electronic mailing computer software enables the operator to instruct the machine to deliver a specific job opportunity advertising message to each address collected into a specific file. The operator types 35 the copy into the machine keyboard interface and then instructs the machine to send the message to a specific collection of addresses at a specified time.

Each message has a "From" field and a "Reply to:" field in addition to others. When electronic mail messages are 40 received, recipients look to the "From" and "Reply to:" fields for instructions relating to sending response messages. The operator of the Candidate Chaser machine and process may insert any electronic mail address into the "From" and "Reply to:" fields as she/he may desire. The Candidate 45 Chaser machine is designed to handle many mailings at one time and could be used to serve multiple candidate seeking hiring clients. In the case of multiple clients, the "From" and "Reply to:" fields could contain the electronic mail address of the client for each given job opportunity message. Thus, 50 each client would receive response to their message directly.

There are reasons why the operator of the Candidate Chaser machine might want to filter responses before received by the client. First, a significant percentage of the response is error messages due to the fact electronic mail 55 1. Checking Mail option=leave mail on server (Mail will be addresses are terminated often without forwarding instructions. Second, a percentage of responses are requests to be removed from future mailings. Third, a significant percentage of messages are "thanks but no thanks but keep me notified of other stuff" responses. Fourth, a percentage of 60 responses are notifications that the recipient is forwarding the message to someone that might be more interested. Fifth, only a small percentage of responses are from candidates that are interested in applying for the job.

In order to filter responses before they are directed to the 65 client's electronic mail address the following procedure is used: A domain name is registered with InterNIC and the IP

address location of a virtual mail server is designated. The virtual mail server is programmed to deliver all mail to one user logon at a specified POP3channel. A single "Virtual Mail Server" (VMS) can be maintained on an Internet Service Provider (ISP) host for each Candidate Chaser machine or on a private server. The VMS is designated by a domain name registered with Internic, for example "abcd123.com". Candidate Chaser clients are assigned Mail Accounts to the domain by the Candidate Chaser machine operator, for example 1001@abcd123.com. A Master User Name (MUN) for the domain on the VMS, for example smr@abcd123.com, programmed to download all mail received into the account no matter what the prefix, is programmed into the server. Electronic mail messages to potential candidates contain the client's assigned VMS mail account in the "Reply" field so that responses are directed to the domain and received into the virtual mail server's storage. Consequently, the "To;" field in the response message contains the client's mailing account address at the Candidate Chaser virtual mail server domain. Mail, directed to different clients based on the address in the "To:" field, is downloaded from the VMS in a single COMBINED batch using the mail computer software program to accessing the MUN account. The mail program filters and redirects the electronic mail message based on the filters and filter actions listed in the paragraphs that follow.

Mail containing spam complaints or requesting removal from lists are directed to the Candidate Chaser machine's remove list creating computer software program, which presently is ExtractorPro Reply Man but can be any similar performing software package, so the addresses are automatically added to the Candidate Chaser machine's remove list and NOT forwarded to the client. Error messages indicating non-deliverable messages are deleted and NOT forwarded to clients.

Messages containing resumes and curriculum vitae are forwarded to a designated resume collection electronic mail address. Any messages that were not forwarded to the remove site or deleted for non-delivery are forwarded to the client's personal mail address at their mail server, for example: sally@aol.com. Mail that doesn't match any filter is forwarded to the quality control staffs' mail address so they can inspect it and determine whether filters need adjustment.

Filters are set up using the "Filters" command language of any commercially available filter capable mailing computer software program. The following filter program is designed for a Candidate Chaser machine using ten general purpose computers where the computers are referenced by a sequencial labeling system with the labels as follows: Chase 101, Chase 102, Chase 103, Chase 104, Chase 105, Chase 106, Chase 107, Chase 108, Chase 109, Chase 110, where the unit referenced as Chase 101 receives messages containing electronic mail addresses designated for addition the remove list

- removed from server by filter actions only.)
- 2. Every filter is programmed to execute on "incoming" mail only.
 - 2.1. Filters
 - 2.1.1. Removes to Chase 101
 - 2.1.1.1. Subject contains "remove" or "spam" action equals make subject "Remove" then action equals redirect to chase101@domain.com then server option equals "delete" then action equals "Skip
 - 2.1.1.2. Subject contains "unsubscribe" or "junk" action equals make subject "Remove" then action

equals redirect to chase101@domain.com then server option equals "delete" then action equals "Skip Rest".

- 2.1.1.3. Subject contains "garbage" or "trash" action equals make subject "Remove" then action equals 5 redirect to chase101@domain.com then server option equals "delete" then action equals "Skip Rest".
- 2.1.1.4. Body contains "remove" or "spam" action redirect to chase101@domain.com then server option equals "delete" then action equals "Skip
- 2.1.1.5. Body contains "garbage" or "trash" action equals make subject "Remove" then action equals 15 redirect to chase 101@domain.com then server option equals "delete" then action equals "Skip Rest".

2.1.2. Undeliverables Deleted

- 2.1.2.1. Subject contains "deliver" or "error" then 20 action equals server option "delete" then "Skip Rest"
- 2.1.2.2. Subject contains "unknown" or "bad" then action equals server option "delete" then "Skip
- 2.1.2.3. Subject contains "illegal" or "fail" then action equals server option "delete" then "Skip Rest"

2.1.3. Resume attached

- 2.1.3.1. Subject contains "resume" or "vitae" then 30 action equals redirect to resume@domain.com
- 2.1.3.2. Body contains "resume" or "vitae" then action equals redirect to resume@domain.com
- 2.1.4. Forward to customer everything not deleted and matching their address
 - 2.1.4.1. To contains XXX@abcd123.com then action equals redirect to user@theirdomain.com and server option equals delete and action equals "Skip Rest" Notice: every client requires one of
- 2.1.5. Forward non filtered items to Quality Control Person-Theoretically nothing should be available to filter and forward to the Quality Control Function at this point unless there is a filter programming oversight.
 - 2.1.5.1. To "appears" then redirect to qc@qcdomaine.com then server option equals delete and "Skip Rest"

Each Candidate Chaser machine is designated its own Master User Name at a Virtual Mail Server where a domain 50 name specific to each machine is registered, for example "abcd123.com". ALL mail sent to any variation of XXX@abcd123.com, where XXX represents any designated client address assigned to that domain, is downloaded in one batch to the mail processing computer software 55 program by accessing the assigned user name via the assigned POP3 channel. For example the user "SMR" may download all mail sent to the domain "abcd123.com" through the POP "mailhost.yourisp.net". In this case the ISP maintains the server on its domain called "mailhost.your- 60 isp.net". Often the ISP will use the MUN domain as the POP3 channel so that it is possible to download the mail using a user name such as "SMR" through the POP3 channel "abcd123.com" or whatever other domain name is assigned by the ISP.

The ISP that provides the Virtual Mail Server is not necessarily the provider of dial-up access to the server.

Therefore, one might dial-up the internet using one ISP such as Netcom to get onto the Internet Backbone and then access the Virtual Mailserver at a different ISP. The DNS settings in the dial-up program (usually entered in the TCP/IP settings of the dial-up) can be from one ISP while the POP3 settings can be from another.

CONCLUSION, RAMIFICATIONS, AND SCOPE

Accordingly, the reader will see that the Candidate Chaser equals make subject "Remove" then action equals 10 Machine and Process automatically locates Internet site pages and web postings which contain operator specified keywords or Boolean combinations and then extracts all email addresses from those pages as well as linked pages to as many linking levels as selected by the operator and then sends a job opportunity description enclosed in an electronic mail message to each of the extracted addresses then receives responses from recipients of the job opportunity message then filters those messages by reading their text and forwards only desirable responses to the candidate seeking client's electronic mail address thusly sparing the client interaction with large amounts of irrelevant response while presenting viable candidates for a given job opening.

> The Candidate Chaser process does not use a static database as its source of addresses but instead takes advan-25 tage of the dynamic properties of the Internet where new information is added every minute.

Job opportunity announcements are communicated to potential candidates within hours of submission.

Candidate Chaser job opportunity advertisements are delivered directly to the worker's email box therefore she/he is not required to search for applicable job offerings.

Workers view the Candidate Chaser job opportunity advertisement by choice at their convenience any time night or day since the advertisement arrives and resides in the email message box until they take an action or their software automatically discards it based on their previously set filters.

Job opportunity advertisements broadcast by Candidate Chaser stimulate workers to consider new career opportunities even when they are not actively seeking new employment thusly expanding the universe of candidates beyond those available to the employer through passive advertising methodologies.

Specific job opportunity ads are only broadcast to specifically applicable individuals who made their email addresses available on their resumes, on web pages indicating subject matter related to the job opening or on new group postings where subjects related to the job opening were specifically discussed.

Individuals adverse to receiving additional job opportunity advertisements easily eliminate their addresses from any potential future mailings by typing "remove" into the message subject heading and executing their mail programs "reply" command.

The customized harvesting of email addresses focused on the specific needs of each job opportunity advertisement individually results in relatively low quantities of advertisements broadcast and therefore, much less broadcast bandwidth is wasted due to non-applicable recipients.

The Candidate Chaser process costs less per hire to operate than many other recruitment methods.

Responses to electronically mailed advertisements are automatically processed through software filters presenting job opportunity advertisers with responses from interested 65 candidates only.

The scope of this invention is limited to operating the combination of types of computer hardware, types of telecomunication hardware, and types of computer software programs and their operation in a specified manner as described herein consistent with achieving the objectives of the process set forth herein. Although the description above contains many specificities, these should not be construed as 5 limiting the scope of invention but as merely providing illustrations of the presently preferred embodiments of this invention. For example, the search for web sites containing operator specified keywords may be executed using computer software programs not yet designed, created or available instead of the computer software program listed in the description.

Thus the scope of the invention should be determined by the appended claims and their legal equivalents, rather than by the examples given.

I claim:

- 1. A computer-implemented method comprising performing the following steps in the following sequence:
 - a. searching the Internet
 - b. locating an Internet page or web posting,
 - c. reading at least a part of the text of said Internet page or web posting
 - d. comparing said text against at least one user defined criteria for an individual with specifically defined pro- 25 of a job opportunity. fessional qualifications, 11. The method of
 - e. sorting said Internet page or web posting according to the presence or absence of said user defined criteria and for Internet site pages or web postings meeting said user defined criteria, electronically extracting from said Internet site page or web posting an e-mail address, and
 - f. sending to said extracted e-mail address an electronic mail message.
- 2. The method of claim 1, wherein said reading comprises reading substantially all of said text.
- 3. The method of claim 1, wherein said comparing step is performed by comparing said text to an operator specified keyword or Boolean combination.
- 4. The method of claim 1, wherein said comparing step is performed using a rules based technology (such as natural language screening).
- 5. The method of claim 1, wherein said user defined criteria for an individual with specifically defined profes-

sional qualifications, comprises at least one rule to identify whether said text comprises a resume for a potentially appropriate candidate.

- The method of claim 1, wherein said user defined criteria for an individual with specifically defined professional qualifications, comprise previous candidate search results.
- 7. The method of claim 1, wherein said sorting comprises calculating a "score" for said Internet page or web posting and ranking said Internet page or web posting by said score.
- 8. The method of claim 1, wherein said user defined criteria for an individual with specifically defined professional qualifications, comprises at least one rule to identify whether said text comprises a resume for a potentially appropriate candidate; and wherein said sorting comprises calculating a "score" for said Internet page or web posting and ranking said Internet page or web posting by said score.
- 9. The method of claim 1, wherein said sorting generates a score for said Internet page or web posting, said score enabling said Internet page or web posting to be ranked by score; and wherein said sending is done only if said score satisfies a threshold value.
 - 10. The method of claim 1, wherein said electronic mail message comprises information on the potential availability of a job opportunity.
 - 11. The method of claim 1, wherein said method is made available to a customer on a subscription basis for direct access by said customer over the Internet via a standard Web browser.
 - 12. The method of claim 11, further comprising:
 - g. receiving at least one response to said electronic mail message.
 - 13. The method of claim 12, further comprising:
 - h. analyzing said response according to at least one user defined relevancy criteria to identify whether said response is desirable.
 - 14. The method of claim 13, further comprising:
 - i. forwarding said response to a client.
- 15. The method of claim 14, wherein said response is forwarded to said client only if said response meets said relevancy criteria.

* * * *

IN THE UNITED STATES PATENT OFFICE

Inventor:

Stephen Michael REUNING

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Examiner:

Samuel RIMMEL, Esq.

Title:

Candidate Chaser

10

I. AMENDMENT

A. <u>In the Specification:</u>

Please amend the Specification at page 1, first paragraph, to read:

This application is a Continuation of Serial Number 08/984,650, now issued as U.S. Patent No. 6,381,592.

A clean copy of the replacement paragraph as amended thus reads:

This application is a Continuation of Serial Number 08/984,650, now issued as U.S. Patent No. 6,381,592.

20 II. REMARKS

A. The 112 second paragraph Rejections

1. "Linked web pages"

In claims 9 and 16, the claim term "linked web pages" is believed unclear because "It is not clear what the web pages are linked to."

The web pages referred to are linked to other web pages (e.g., the web page recited in corresponding independent claim 6 and 13, at element a). This is understood in the art; the term "linking" is understood in the art to mean using a HTML (or another web-based language, such as XML) hyperlink command to reference the linked object (e.g., the linked web page).

2. "As many linking levels as desired"

In claims 9 and 16, the phrase "as many linking levels as desired" is believed unclear. The Examiner interprets the term to "encompass one level, multiple levels, or no levels at all." The Examiner's interpretation is correct; this is exactly what the phrase means.

3. "Advanced natural language screening technology"

In claims 11 and 18, the phrase "advanced natural language screening technology" is believed unclear. Reconsideration is requested, because this phrase appears understandable by one of skill in the art. The web-site for WebHire, Inc. says "It uses advanced natural language screening technology to filter out non-relevant information, while uncovering the resumes other research tools miss." See Petition To Make Special at page 4, line 6-9 (emphasis added) (copy attached). Furthermore, in reviewing the parent '592 patent, the Examiner found statutory the phrase "a rules based technology (such as natural language screening)." Thus, Applicant believes the phrase "advanced natural language screening technology" is clear.

If the Examiner believes the claim term is not clear, however, Applicant respectfully requests the Examiner enter an Examiner's Amendment replacing the phrase "advanced natural language screening technology" with the claim term "a rules based technology (such as natural language screening)," a claim term the Examiner found statutory in the parent '592 patent. Because that amendment is not a narrowing amendment, it does not limit the scope of equivalents. See Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. __ (May 28, 2002).

4. The intended Use of the filter

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Regarding claim 1, "No patentable weight is attributed to the intended usage of the filter for searching web pages." In other words, The Patent Office believes the phrase "to identify in said web page the presence or absence of specifically defined professional qualifications" is superfluous language without any legal effect. Applicant respectfully notes that superfluous language without any legal effect may mislead the public regarding the ambit of the claim. Applicant wants the most clear claim possible. Applicant accordingly reserves the right to amend the claim to expressly delete the phrase "to identify in said web page the presence or absence of specifically defined professional qualifications." Applicant will, however, hold this potential formal amendment in abeyance pending resolution of all other questions of patentability.

B. The 102(e) Rejection over Taylor

Claims 1 and 6-19 stand rejected as anticipated under 35 USC 102(e) over Taylor. Reconsideration is requested, because the Patent Office has already reviewed Taylor and found Taylor does not anticipate the invention.

1. The Prior Art

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The immediate application is a continuation of U.S. Letters Patent 6,381,592. In the parent application, Taylor was of record. See NOTICE OF REFERENCES CITED at Document B (14 Dec. 1999). As explained in the parent case, the prior art includes various data bases where job openings can be listed and where candidates can submit their resumes. This art includes non-computer art such as newspaper and radio help-wanted or help-available classified advertisements. The art also includes computer based things like internet-based job-opening bulletin boards or resume data bases. Examples include McGovern (US 5,978,768) and the various "Other Publications" cited therein as prior art (e.g., www.monsterboard.com, www.hotjobs.com, www.careermosaic.com, www.futurestep. com). The computer based prior art, however, has functioned simply as electronic analogs of the non-computer art, broadcasting information on current job openings, and accepting resumes from candidates who are actively seeking employment.

For any job opening, however, many potentially excellent candidates may not be actively seeking employment when the job becomes available. Thus, these candidates will not necessarily get the information posted in the employment classified ads or the various internet job sites. Further, because these potentially excellent candidates may not be actively seeking employment, they may not circulate their resumes widely - if at all. Saliently, all of the prior art requires a potential candidate to search job openings (in the newspaper or the internet job sites, for example), write a resume, and then send the resume to a newspaper or internet site for storage in a data base and review. Potential candidates who do not do all of this, do not show up in the prior art resume data bases. Employers thus never get a chance to consider these candidates. This is unfortunate, because the very best candidates often are not currently seeking employment, and thus never get considered.

The claimed invention solves this problem. Rather than forcing a candidate to actively seek employment, the claimed invention can actually search for and find potential candidates, even candidates who are not actively seeking employment, and do not even have a resume prepared at all. That's why Mr. Reuning calls his invention the "Candidate Chaser" - it chases good talent down, rather than waiting for good talent to find it. Thus, in contrast to the prior art, the claimed invention dispenses entirely with the requirement for a written resume, a data structure for uploading resumes, and the user interface required to make resume uploading easy. Unlike the prior art, the claimed invention can work without these structures at all.¹

2. <u>Taylor</u>

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In the parent '592 case, Taylor was of record. Taylor was expressly found to not enable the Applicant's invention.

Taylor teaches the use of a data base of resumes. Taylor explains, at col. 5, lines 30-35, "The resume base (105) is an electronically stored database. The resume base is a collection of resumes stored in electronically readable memory. The resume records will advantageously include fields specifying name, address, telephone number, E-mail address and narrative fields." Taylor therefore teaches *storage* and retrieval of e-mail address data fields *in a data base*; Taylor does not teach *extraction* of e-mail addresses *from web content*.

On its previous review of Taylor, the Patent Office ruled, "Taylor only performs the comparison of text and *does not suggest any extraction step involving e-mail*. There is no evidence that it would have been obvious to modify Taylor to perform extraction of e-mail addresses." OFFICE ACTION pg. 2, ¶ 3 (03 Jul. 2001) (emphasis added).² The Patent Office

Applicant further explained, "Sabotka discloses searching a resume data structure; Clark discloses a resume data base; and Krellenstein discloses a method for searching a database. Combining these references with Helfman (legally impermissible) makes an improved searchable database. In contrast, the applicant discloses and claims a way of searching the Internet to find potential candidates, without requiring a data base of job openings or resumes at all." AMENDMENT at 6-7 (3 Dec. 2000). The Patent Office agreed with this analysis and withdrew the rejections.

² As an aside, Applicant disagrees with each of the factual assertions set forth in the OFFICE ACTION at page 3, lines 1-5. Specifically, Taylor does not teach a resume base (105) containing web pages. Nothing in Taylor suggests the iterative search engine (106) "can locate web pages from a database of records." Taylor at col. 6, lines 58-60 does not teach presenting e-mail addresses - nor anything else - as hyperlinks; the cited section does not even mention "hyperlink" at all. The cited section does not enable - nor even mention - "Clicking on such a hyperlink pops up an e-mail system which extracts the e-mail address."

concluded that Taylor does not teach - nor even mention - extraction of e-mail addresses from web content, and that Taylor can not anticipate the invention as a matter of law.³

C. Obviousness over "judicial notice"

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1. Judicial Notice of this fact is Illegal

Claims 2-3 stand rejected as obvious over Taylor "in view of Official Notice."

The OFFICE ACTION acknowledges that Taylor does not teach "relevancy scoring." The OFFICE ACTION, however, takes judicial notice that (i) "relevancy scoring for search results is very well known in the art of database searching," (ii) "It would have been obvious to one of ordinary skill in the art to modify Taylor to include relevancy scoring of results," and (iii) "relevancy scoring of results to reduce the need to review a large number of hits [] is very well known in the art." While the Examiner's three factual assertions might be correct, they are illegal.

Factual assertions (i) and (iii) are illegal, because judicial notice cannot be used to establish what is "very well known in the art." This is because facts concerning the state of the art are "not amenable to the taking of [judicial] notice." In re Eynde, 178 USPQ 470, 474 (C.C.P.A. 1973) ("The facts concerning the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of [judicial] notice. If evidence of the knowledge possessed by those skilled in the art is to be properly considered, it must be timely injected into the proceedings"). If evidence regarding skill in the art is to be considered, it must be provided by a reference. Id. Thus, "[a]ssertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art. ... Allegations concerning specific 'knowledge' of the prior art ... should also be supported. ... The facts so noticed ... should not comprise the principle evidence upon which rejection is based." In re Ahlert, 165 USPQ 418, 420 (C.C.P.A. 1970).

³ N.b., The Patent Office appears collaterally estopped from disavowing its prior decision regarding Taylor. See <u>In re Lundberg and Zuschlag</u>, 126 USPQ 412, 414 (CCPA 1960) ("patentability over the prior art is not reconsidered as a virgin problem. On the contrary, the prior decision stands, right or wrong, for all disputed issues there decided.").

Stephen Michael REUNING Serial No. 09/897,826 Art Unit 2175 Examiner Samuel RIMMEL, Esq.

Likewise, factual assertion (ii) is illegal because a suggestion to combine cannot be based on a judicially-noticed fact. Ex parte Grochowski, No. 95-1343 at 5 (B.P.A.I. June 27, 1995).

Relying on judicial notice of what a skilled artisan would envision - or that a combination would have been obvious - is reversible error. Ex parte Nouel, 158 USPQ 237 (B.P.A.I. 1967).

5 For these rejections to be maintained, Examiner must produce an AFFIDAVIT OF REFERENCES proving each of the three factual assertions.

III. SUMMARY

In light of the amendments and these remarks, withdraw of all rejections is believed required as a matter of law.

10 Respectfully submitted,

15 Mark Pohl, Reg. No. 35,325

Dharmanusian Description

Pharmaceutical Patent Attorneys, Pohl & Assoc., LLC 55 Madison Avenue, 4th floor (P 4014)
Morristown, NJ 07960-6397 Etats Unis / U.S.A.

Direct: Mark Pohl@LicensingLaw.Net ## +1 (973) 665-0275

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countersign the same. Kendall v. United States, 12 Pet. 524; Wright v. Ynchausti, 272 U. S. 640, 651, 652.

the Internal Revenue Collector of the receipts from inter-Board, or what his power with reference to enforcing the settlement so reached by him, nothing in the laws of the the enforcement of such settlements to dispense with or to suspend the operation of positive law in reference to the course which shall be followed in the disposition by tained exactly what the share of the City is under the No matter what the power of the Auditor may prove to be with reference to the settlement of accounts as between the City of Manila and the Metropolitan Water slands is disclosed to us which enables the Auditor in nal revenue collections which he is directed by the statute to pay to the City. His duty is clearly set forth and he has nothing to do but to comply with it, having ascerforegoing provisions.

for a judgment for the water used, or whether the issue power of settling and enforcing accounts between the two branches of the Government, are issues not before us. The only question here is what should be done with the share of the collections made by the Internal Revenue Collector under the sections of the Administrative Code pines relating to the City of Manila, there is a provision what shall thereafter be done in respect to it is not a the City of Manila, in the absence of agreement, is one that must then be decided by a suit in court brought by or a permanent continuing appropriation during the time When this share comes to the City under the warrant to be drawn in its favor by the Collector, the question of matter that we are called upon to consider. Whether the issue between the Metropolitan Water Board and the Metropolitan Water Board against the City, asking is to be determined by the Insular Auditor in his asserted already quoted. By § 2442 of the Laws of the Philipthe City remains the capital of the Islands from any

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Syllabus

of the Philippines in directing a mandamus to issue Auditor was in accordance with the statutory law of the government, within certain other limitations, and the nvolve quasi-judicial or administrative discretion not to consider or decide; because this case relates only to interated, equal to 30 per cent. of the expenses of the City Insular Auditor is to ascertain the amount thus appropriated and transfer it to the City. How far this would be controlled by mandamus, it is not necessary for us to nal revenue receipts and their distribution, in respect of which the provisions of law are specific and mandatory as we have seen. The conclusion of the Supreme Court against the Internal Revenue Collector and the Insular funds in the Insular Treasury, not otherwise appropri-Philippines and was right.

imit our opinion to the mere question whether the City's A majority of the Supreme Court of the Philippines seems to us, to decide this case. We desire therefore to eached this conclusion. That Court further expressed an opinion as to the relation of the City to the Insular Auditor and his functions, which was not necessary, it share of the internal revenue collections must be paid to the City by the Collector.

The judgment of the Supreme Court of the Philip-

OVERLAND MOTOR COMPANY v. PACKARD MOTOR COMPANY ET AL

CERTIFICATE FROM THE CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

No. 285. Argued April 21, 1927.—Decided May 31, 1927.

appealing, after a ruling finally rejecting it as unpatentable, announcing at the time his intention to file a divisional application 1. An applicant for patent who cancels one of his claims without 55514°-28-27

covering the same subject matter, does not abandon it nor estop himself from so renewing it with the consent of the Patent Office.

- 2. Granting of patent upon such new application imports a waiver by the Office of objection based on the previous rejection. P. 421.
 - 3. A bill to enjoin infringement of a patent can not be dismissed upon the ground of laches because the pendency of the application in the Patent Office was protracted by the applicant's delays in responding to Patent Office action, where such delays in no instance exceeded the period allowed by statute. Rev. Stats. § 4894. P. 422.

RESPONSE to questions certified by the Circuit Court of Appeals upon an appeal from a decree enjoining alleged infringements of a patent. . Mr. Melville Church, with whom Mr. Clarence B. Des lardins was on the brief, for the Overland Motor Company.

Mauro, Clarence S. Walker, and Reeve Lewis were on the Mr. Frank Parker Davis, with whom Messrs. Philip brief, for the Packard Motor Company et al.

Mr. Donald M. Carter filed a brief as amicus curiae by special leave of Court. Mr. CHIEF JUSTICE TAFT delivered the opinion of the

the Seventh Circuit, upon a certificate of two questions Motor Company of the Cowles Patent, No. 1,103,567, for our consideration and answer. Section 239 of the Juwas duly granted July 13, 1900. His application dis-This case comes from the Circuit Court of Appeals of seek to enjoin an alleged infringement by the Overland closed the matter in suit. The Patent Office, however, dicial Code, as amended by Act of February 13, 1925, c. 229, 43 Stat. 936. The suit is one in which the Packard Motor Car Company and the Wire Wheel Corporation issued to Cowles on July 14, 1914, and owned by them. On August 25, 1899, Cowles filed an application which required a division of claims, and he canceled all claims

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as well as the description and drawing in the specification that supported such claims, bearing upon the subject matter of the present controversy. In that case the patvisional application, disclosing and claiming, among other things, the subject matter in suit. This was pending in divisional application covering the subject matter of this rected or suggested by the Patent Office. A patent was September 6, 1901, he filed another application, not a dithe Patent Office until January 21, 1913, when a patent issued for it. Certain claims made by him were repeatplicant to reply to the action of the Patent Office within a year, but on seven different occasions he delayed more than eleven months before filing his response to the Patent Office ruling. On May 20, 1911, the Patent Office claim from his application, stating his intention to file a claim. No such divisional application had ever been dient as granted covered merely the remaining claims. edly rejected by the Patent Office. Cowles complied with the requirements of § 4894, Rev. Stats., requiring an apfinally rejected the only claim remaining in the application which was directed to the subject matter in issue, On May 17, 1912, Cowles canceled this finally rejected then (January 21, 1913) issued on other claims without 1912, Cowles filed an application for a patent which he stated was a division of the application filed September issue. The patent in suit was then issued on this applicaeleven months before responding to the Patent Office holding that it was unpatentable on certain references. any claim to the subject matter in issue. On August 6, 6, 1901, and which disclosed and sought the claims in tion on July 14, 1914. During its pendency in the Patent Office, Cowles complied with the requirements of § 4894, Rev. Stats., although on one occasion he delayed over action. During the period from 1905 to 1912, trade journals of the United States and Great Britain published articles disclosing the subject matter in issue, and certain

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issuing of the patent in suit. Upon these facts, the first peared upon the market in the United States prior to the sented independent work in Great Britain, and, as a result thereof, there was actual use of the subject matter in suit abroad during the pendency of the original and embodying the subject matter of the claims in suit ap-British patents were granted, on subjects relating to such divisional applications above referred to. No product subject matter. The publications and patents reprequestion certified is as follows:

finally rejected on May 20, 1911, abandon such claim or "Did the applicant, in canceling the claim which was estop himself from thereafter seeking it through a new application?"

claim, went to patent on July 14, 1914. We can not see tion, the Commissioner of Patents might have refused to against the applicant. This is fully explained by Judge he filed the claim as a divisional application under the why he was estopped by his failure to appeal from the final rejection. It is quite true that, after such rejecconsider his divisional application, as he made it without suggestion or consent by the Patent Office. In a qualified and limited sense, a claim rejected as this was con-May 17, 1912, he canceled the claim, stating at the time covering this subject matter. After he had done this, on August 6th, less than four months after the cancellation, earlier case, and this new application, with the renewed stitutes res judicata in favor of the Government and Morris in In re Barratt's Appeal, 14 App. D. C. 255, in stances which can be held to be an abandonment by Cowles of his claim for which he subsequently secured this patent. On May 20, 1911, the claim was rejected on account of its non-patentability in view of certain references. On that it was his intention to file a divisional application We do not find in the statement of facts any circumspeaking of a case presenting a similar question:

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clusiveness of adjudications at the common law do not proceeding, it is both expedient and necessary that there should be an end of controversy. Sometimes, the elegranted, they may not be recalled, and the rights of the parties holding them again investigated. Where rights apply, in the strict sense, to administrative or quasiudicial action in the Executive Departments of Government, yet in administrative action, as well as in judicial ment of finality is inherent in the nature of the action taken; as, for example, when letters patent have been have become vested as the result of legitimate executive new proceedings instituted with that view. Especially is "While the rules that govern the finality and conaction, such action is necessarily final, and it is not competent thereafter for executive action to divest them, either by way of a review of the proceedings or by any Office, which are so nearly akin to judicial proceedings as this principle applicable to the proceedings of the Patent to be most appropriately designated as quasi-judicial."

Following then the analogy, he finds that such a case as this may constitute res judicata in a sense; but he qualifies the statement in this important way:

so to do, entertain and adjudicate a second application What we decide is, that it is not incumbent upon the office as a duty to entertain such applications, and that, if it refuses to entertain them, it has a perfect legal right "In what we have said we do not desire it to be understood that the Patent Office may not, if it thinks proper for a patent after the first application has been rejected. so to do. An applicant is not legally aggrieved by such refusal."

This qualification is approved in the case of In re Fay, 15 App. D. C. 515; In re Edison, 30 App. D. C. 321, 323; and in Gold v. Gold, 34 App. D. C. 229.

As the Patent Office by granting the patent must be held to have waived any objection to the application

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before by that Office, there is no reason why the appellees below should not be allowed to avail themselves of the on the ground that the claim allowed had been rejected waiver. We answer the first question in the negative.

Second: The second question was as follows:

"In the absence of any other excuse for lapse of time of equity because of long pendency in the Patent Office?". between Patent Office actions and responses thereto, than sponse), may the bill of complaint be dismissed for want that the applicant was exercising a statutory right (R. S. Sec. 4894 as amended setting limit of one year for re-

U. S. 224, and Chapman v. Wintroath, 252 U. S. 126, this We think that under the decision of this Court in United States v. American Bell Telephone Company, 167 question must also be answered in the negative.

pleted and prepared for examination within two years Patents that such delay was unavoidable. There was no provision limiting the time of the prosecution of the application in this section. By the Act of 1870 (16 Stat. 198), it was provided, in § 32, that all applications for patent should be completed and prepared for examination within two years after the filing of the petition, and in cute the same within two years after any action therein, they should be regarded as abandoned by the parties unless shown to the satisfaction of the Commissioner of default thereof, or upon failure of the applicant to proseof which notice shall have been given to the applicant, thereto, unless shown to the satisfaction of the Commissioner that such delay was unavoidable. This provision of the Act of 1870 was carried into the Revised Statutes as § 4894, and so the statute stood until 1897, when, by 29 Stat. 692, § 4894 was amended as follows: By § 12 of the Act of 1861 (12 Stat. 246), it was required that all applications for patent should be comafter the filing of the petition, and, in default thereof, were to be regarded as abandoned by the parties thereto,

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of the application, and in default thereof, or upon failure "All applications for patents shall be completed and prepared for examination within one year after the filing of the applicant to prosecute the same within one year after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner of Patents that such delay was unavoidable."

his application, to delay for the full period of a year his Counsel for the alleged infringer says, that even with thus reduced to one year, it becomes easily possible for the time limit for action on the part of the applicant an applicant, after an action by the Patent Office upon response to such action, and however promptly the Patent Office may again act, he can delay another full year before replying to it, and thus, by waiting a year after each official action, (1) keep his application pending so as to enable him to withhold, indefinitely, his invention from the public, (2) add claims to his application covering the independent intervening developments of others, and (3) postpone the time when the public may enjoy the free use of the invention-all contrary to sound public policy.

tirely within the control of Congress, and, in order to avoid the evil suggested, Congress may reduce the time within which one who is seeking an adjustment with the Patent Office, in order to obtain a patent, shall act upon receipt of notice of a decision of the Patent Office in the The answer to this argument is that the matter is enthis time from an indefinite period in 1861 to two years in 1870, and to one year in 1897, and, as provided in the course of the application through that office. Congress, as we have seen by the history of the statute, reduced last Congress, to six months. Act of March 2, 1927, c. 273,

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During the pendency of the application in this case, the period allowed was one year. We do not know on what principle we could apply the equitable doctrine of abandonment by laches, in a case where the measure of reasonable promptness is fixed by statute, and no other ground appears by reason of which laches could be imputed to the applicant.

any collusion or fraud by the officials of the Department or undue or improper influence exerted or attempted to conditions prescribed and filed his application with the been fraudulently secured, and part of the fraud of the taining of the patent, by collusion with officials of the Department, through their non-action, and thus postlished a department with officials selected by the Government, to whom all applications for patents must be applications and entrusted the entire management of affairs of the department to those officials, and that when an applicant for a patent complied with the terms and officers of the department, he must abide their action and could not be held to suffer or lose rights by reason ing in equity to cancel a patent on the ground that it had patentee was that he had unreasonably delayed the obponed the period during which the monopoly of the pat-The court found no evidence of be exerted upon them. It said that Congress had estabmade, had prescribed the terms and conditions of such of any delay on the part of those officials. The court pany, 167 U. S. 224, the Government brought a proceed-In United States v. American Bell Telephone Coment was to continue.

. . Under section 4886, Rev. Stat., an inventor has be adjudged in the wrong if he acts within the time allowed, and pursues the method prescribed by the statute. "Neither can a party pursuing a strictly legal remedy

two years from the time his invention is disclosed to the

OVERLAND CO. v. PACKARD CO.

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immediately after the invention the patent would have been issued two years earlier than it was, and the public this right, and no consideration of public benefit can take public within which to make his application, and unless an abandonment is shown during that time he is entitled to a patent, and the patent runs as any other patent for seventeen years from its date. He cannot be deprived of this right by proof that if he had filed his application therefore would have come into possession of the free use of the invention two years sooner. The statute has given it from him. His right exists because Congress has declared that it should. . . . A party seeking a right under the patent statutes may avail himself of all their provisions, and the courts may not deny him the benefit of a single one. These are questions not of natural but of purely statutory right. Congress, instead of fixing a patent. No court can disregard any statutory provisions in respect to these matters on the ground that in its judgment they are unwise or prejudicial to the seventeen had the power to fix thirty years as the life of interests of the public."

The case of Chapman v. Wintroath, 252 U.S. 126, was an attempt in an interference suit to defeat a patent granted to the Chapmans on a divisional application, for an improvement in deep well pumps, in which the claims were the same as the claims of a patent to Wintroath, the divisional application having been made twenty months later than the date of the issue of the patent to Wintroath. It was conceded that the claims had been for in 1909 but which had met unusual difficulties in the quired by law and the rules of the office, was still penddisclosed in the Chapman patent, which had been applied Patent Office and, though regularly prosecuted as reing without having been passed to patent in 1915, when the controversy arose. It was admitted that the inven-

of the District (Wintroath v. Chapman, 47 App. D. C. ing their divisional claim. That holding had rested on a previous decision by the Court of Appeals in Rountree 1897, two years was granted in such a case before the plication claiming the discovery should be denied, because of their delay of nearly twenty months in filing it after law only one year. It was held by the Court of Appeals 428) that the delay of more than a year constituted equitable laches and estopped the Chapmans from makv. Sloan, 45 App. D. C. 207. This Court held that under § 4886 of the Revised Statutes, as amended March 3, right to file a divisional application had been lost. The Court based its decision that the statutory period could not be reduced by equitable considerations or those of from Mr. Justice Brewer in his opinion in the Telephone case. The same doctrine is to be found in Crown Cork & Seal Company v. Aluminum Company, 108 Fed. 845, tion was clearly disclosed in the parent application of the the publication of Wintroath's patent, when they had by public policy on the language which we have just quoted and Columbia Motor Car Company v. Duerr & Company, Chapmans, but it was contended that their divisional ap-184 Fed. 893.

is cited by counsel for the defendant to sustain their view abandonment may be enforced. The Woodbridge case was given him under the law as it then existed. He that this is a case in which the doctrine of laches and delayed the issue of the patent, which he could have had for the asking, for nine years. He had directed the Patent Office to keep the papers upon which such issue might have been granted in the secret archives of the Patent Office, there to remain for one year, a privilege which failed after the one year to apply for the patent because, The case of Woodbridge v. United States, 263 U. S. 50, was an exceptional one. Woodbridge had deliberately as he avowed in a subsequent application, he wished there-

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legislation imposing the condition that he should be satisfied that he had not forfeited or abandoned his right This Court held that the delay of nine years for the was for rifling cannon, should be more in demand than granted the patent, provided the court should first be he might avail himself of the special congressional privition here. The answer to the question should be in the it then was. He was denied a patent, for failure to comto a patent by publication, delay, laches or otherwise. oly was laches and a breach of the condition upon which by to postpone the period of its monopoly until a national emergency might arise in which his invention, which ply with the statute. Subsequently he secured special avowed purpose of postponing the period of the monopege granted him. Such a case has certainly no applicanegative.

Questions answered "No."

MESSEL v. FOUNDATION COMPANY.

CERTIORARI TO THE SUPREME COURT OF THE STATE OF LOUISIANA.

No. 202. Argued March 9, 1927.—Decided May 31, 1927.

- by a workman while engaged in repairing a vessel affoat on waters of the United States and due to the negligence of his employer. ever of man that causes damage to another obliges him by whose fault it happened to repair it," applies to personal injuries suffered 1. Art. 2315, Rev. Code of Louisians, providing: "Every act what
 - ana Workmen's Compensation Act which provides special means and measures for adjusting claims for personal injuries in certain occupations, including repair of vessels, and declares its remedies 2. Such cause of action, under Art. 2315, is not barred by the Louisiexclusive, but does not by its terms include maritime injuries or torts under federal law. P. 432.
- a "common law remedy," saved to suitors in the state court by § 9. 3. Art. 2315, Louisians Rev. Code, supra, furnishes the equivalent of 'udiciary Act of 1789, § 256 Jud. Code. P. 433.

of patentability

sideration of issue of pat proscribed by res judicata.

presented fell far short of overcoming the "judgment of the eye and ear."

126 USPQ

Affirmed [11] The question presented by the appeal is a very simple one and, although to counsel have managed to pile up more than 400 pages of record and 80 pages of brief, we think it can be dealt with in a very few paragraphs. The question is simply whether "Wander," applied to a drug used chiefly in the treatment of tuberculosis, is likely to cause confusion with "Warner," used for a wide range of pharmaceuticals. The Assistant Commissioner decided that it was not. We

47 CCPA 1142

Court of Customs and Patent Appeals

Decided July 20, 1960 In re LUNDBERG AND ZUSCHLAG Appl. No. 6571

PATENTS

1. Prior adjudication-Applications for

In reviewing rejection of claims of patent (§ 56.05)

parent application, starting point is a comparison of what is claimed in applications; if claimed subject matter is the same, the prior adjudication is binding; if differences appear, court looks to their nature and significance; if difference is one which would not be obvious to one of ordinary skill in the art, the prior adjudication is not a ground for rejection; the difference is between previously adjudicated claims and appealed claims, not between appealed claims and prior art; patentability over prior art is not reconsidered as a virgin problem; on the contrary, prior decision stands, right or wrong, for all disputed issues there decided, and court determines patentability continuation application on ground of res judicata based on rejection of claims in of new claim over adjudicated claim, considering prior art, if necessary, only if sustantial differences between claims ed by this rule is that there shall be an hausted remedies provided by law he shall not be permitted to go through the exist; public policy which is implementend to litigation, that when one has exprocess all over again. Warner has used its trademark extensively since 1920, has spent large sums on advertising and enjoys a very valuable goodwill, symbolized by the mark which has acquired a secondary meaning in the field of pharmaceuticals. Wander has used its trademark (which was, in fact, the surname of the founder of the business) since 1951 for the tuberculosis ness) since 1951 for the tuberculosis remedy, known as "P.A.S." These facts were taken into consideration by the Assistant Commissioner in reaching her decision as appears from her opinion. The appellant complains of a number of errors on the part of the Assistant Commissioner, the chief ones being that the conclusions reached by her as to the connotations of the words were not supported by enough evidence 1 but were intuitive or subjective. We think that her conclusions would have been proper

had there been no evidence at all. It did not require evidence to enable the Assistant Commissioner to conclude that Wander is a common word and unlikely 2. Prior adjudication-Applications for patent (§ 56.05)

In cases appealed to Court of Customs and Patent Appeals, or taken to District of Columbia courts under 35 U.S.C. 145, involving ex parte prosecution of patent applications, what must be borne in mind with respect to res judicata is distinction between claims to different inventions and different claims to same invention; where different invention; where different inventions are claimed, res judicata does not preclude is merely presenting new claims to same invention, the patentability of which he a new consideration but, where applicant has already argued before court, reconfrom any other source." Glemore Distilleries Co. v. National D. Prod. Corp., 23 F. Supp. 928, 931, 39 USPQ, 65, 69 USPQ, 264 (C.A. 4th)). See Liggett & Myers Tobacco Co. v. Finzer, 128 U.S. 182. These two marks perhaps look somewhat alike but not enough to be could usingly similar, and they do not sound alike. Both parties direct their advertising entirely to physicians and pharmacists—a highly intelligent and discrimination.

The evidence

discriminating public.

the appellant cited General Shoe Corp. v. cited Spellant cited General Shoe Corp. v. 254 F2d 154, 117 USPQ 281. If that opinion be read, if will be seen that the reason way, the Commissioner was reversed was that he had relied on too much evidence.

3. Construction of specification and claims — Introductory phrase (8 22.55)

"for determining the existence, location, outline and depth of sought for mineral deposits in the earth" is no more than a preamble, is but the object or purpose of the apparatus, does not define structure, and cannot be relied on to differentiate claim from rejected claim in parent application. Statement in claim that apparatus is

Particular patents-Geophysical Exploration

Lundberg and Zuschlag, Apparatus for and Method of Geophysical Exploration, claims 1 to 11 of application refused.

Appeal from Board of Appeals of the

Application for patent of Hans T. F. Lundberg and Theodore Zuschlag, Deceased, by Johanna Zuschlag, Administratrix, Serial No. 523,784, filed July 22, 1955; Patent Office Division 48. From decision rejecting claims 1 to 11, applicants appeal. Affirmed.

See also 94 USPQ 73, 113 USPQ 530.

E. CLARKSON SEWARD, New York, N. Y.,

for appellants.
CLARENCE W. Moore (D. KREIDER of counsel) for Commissioner of Patents.

Before Worley, Chief Judge, Rich, Mar-Tin, and Smith, Associate Judges, and Kirkpatrick, Judge.

RICH, Judge.

This appeal is from the affirmance by the Patent Office Board of Appeals of the examiner's rejection of claims 1-11, all of the claims of appellant's applica-tion No. 523,784, filed July 22, 1956 for "Apparatus for and Method of Geophysi-cal, Exploration."

[2] In determining whether a likelihood of confusion exists between trademarks "the judgment of the eye and ear is more satisfactory than evidence

to create a surname impression and that Warner, although having a common meaning, albeit one seldom met with, creates the impression of being a sur-

The application at har is stated to be a continuation of application No. 2885, filed January 17, 1948 as a division of application No. 561,436, filed November

1, 1944.

Application No. 2886 was before this court with respect to claims 51 and 54-58 thereof, the rejection of which was affirmed in In re Lundberg et al., 44 CCPA 909, 244 F.2d 543, 113 USPQ 530 (decided in 1957). Application No. 561,436 was also before this court in In re Lundberg et al., 39 CCPA 971, 197 F.2d 336, 94 USPQ 73 (decided in 1952), wherein

* United States Senior Judge for the Eastern District of Pennsylvania, designated to participate in place of Judge O'CONVELL, pursuant to provisions of Section 284(d), Title 28, United States Code.

the rejection of claims 99-116 of that ap-

plication was affirmed. (The last-mentioned application is said to have mathematical places of the last-mentioned application is said to have mathematical into Patent No. 2686,924.)

The instant application, being filed as a continuation of one which had been prosecuted (as was its parent) through appeal to this court, was treated as "speties are reached its final rejection by the examiner on the second action in less than five months from its filing, following what appellants admitted was an "effective" pendency of over ten years, qualified by the assertion that the claims here are "new claims drawn in accordance with the express permission of the new Patent Act ** o ** presented for fresh consideration in compliance with the salutary changes made by the new Act for the benefit of inventors."

As is apparent from the fact that the instant application here on appeal is the instant application here on appeal is the identical invention which was before this court in the second Lundberg et al.

The claimed invention here, as in the identical invention which was before this court in the second Lundberg et al.

The claimed invention for the purpose of determining, by detection and measurement of anomalies in the earth's magnetic field, the existence, location, out line, and depth of sought for mineral deposits in the earth. All appealed claims ever way the invention is defined, it is above the terrain being examined, means of the magnetic fields encountered, while automatically stabilizing said means with respect to ledecting and measuring a companiant while with respect to ledecting and measuring a companiant with means of the magnetic fields encountered, while with respect to ledecting and measuring a companiant while with the second ledecting and measuring a companiant of the magnetic fields encountered, while

recording the measurements made, relating them to the terrain, and interpreting the results.

In the prior appeals we affirmed rejections of the claims as unpatentable over prior art. In the present case claims 1-11 are likewise rejected on prior art but additionally they all stand rejected on the ground of res judicata 1

and the parent of the suppellants of the examiner, the board, and the appellants of the Patent Office Solicitors of the expression res adjudicate, attention is directed to the following from Black's Law Dictionary, 3rd Ed.:

Res adjudicate, A common but indefensible misspelling of res judicate.

The latter term designates a point or question or subject-matter which was in controversey or dispute and has been authoritatively and finally settled by the decision of a court. Res adjudicats (if there be such a term) could only mean an article or subject of property "awarded to," a given person by the

by reason of the later of our two prior decisions, supra. Claims 1-5 (all of those initially presented were so rejected on the first action, the next and final action so rejected all claims, and the board affirmed this rejection, citing in re Ellis, 24 CCPA 769, 86 F.2d 412, 31 USPQ 380. It also affirmed the section on prior art. We will consider first the issue involving res judicata. [II] The starting point is a comparison of what is claimed here with releavent claimed subject matter is the same, the prior adjudication is binding; if differences appear, then we look to their nature and significance. If the difference is one which would not be obvious to adjudication is certainly not a ground for rejection. But, we repeat, the difference is between the previously adjudicated claims and the appealed claims, not between the present claims and the prior art. We emphasize this in view of appellant's effort to ge a de novo consideration on the basis of the prior art alone, a contention implicit in the following excerpt from appellant's brief:

This last named ground [res judicata] seems to Appellants to be practically moot because, if this Court agrees that some or all of the claims are patentable, the holding of res adjudicata [sie] is eliminated; while if judicata [sie] is eliminated; while if

all the claims are held to be unpatent-able, the said ground is superflous. And again:

• • the holding of res adjudicata [sic] is subservient to the holding of

patentability over prior art is not repatentability over prior art is not reconsidered as a virgin problem. On the contrary, the prior decision stands, right or wrong, for all disputed issues there decided, in re Prutton, 40 CGPA 976, 980, 204 F.2d 291, 296, 97 USPQ 447, 450, and we determine patentability of the new claim over the adjudicated claim, ronsidering prior art, if necessary, only if substantial differences between the claims exist. The public policy which is implemented by this rule is that there shall be an end to litigation, that when one has exhausted the remedies provided by law he shall not be permitted to go through the process all over again. Appellants' brief shows no awareness of this legal principle in repeatedly "urgently requesting" us to review our former holdings and revaluate the references in the light of the new claims. [23] In cases appealed to this court, or taken to the District of Columbia courts under 35 U.S.C. 145, involving the ex-

judgment of a court, which might per-haps be the case in replevin and simi-lar actions.

different inventions are claimed, res judi-cata does not preclude a new considera-tion; but where an applicant is merely presenting new claims to the same in-vention, the patentability of which he has already argued before the court, reconsideration of the issue of patent. what must be borne in mind with respect to res judicate is the distinction between claims to different inventions on the one hand and different claims to the same invention on the other. Where ability is proscribed by the doctrine of

res judicata.

Turning now to the appealed claims, claim 1 is the appartus claim on which dependent claims 2 and 6-11 are based and is like claim 4 except for differences which will be pointed out later. Claim 1 eads:

1. Apparatus for geophysical exploration from the air for determining the existence, location, outline and depth of sought for mineral deposits in the earth comprising, the combination with a maneuverable airplane adapted to transport an operating crew and the hereinsfort a recited equipment, of means carried thereby for detecting and measuring while in the air with a precision sensitivity capability of one gamma or less at least one component of magnetic fields related to such deposits, operatively connected means for automatically stabilizing said detecting and measuring means in relation to level and orientation for maintaining its detecting and measuring sensitivty regardless of motions of the airplane, and means operatively connected with the detecting and measuring means for automatically and simultaneously making a record of the measurements as they occur. [Emphasis ours.]

Claim 54 of application No. 2885 before us in Lundberg et al., 44 CCPA 909, 113 USPQ at 531-532, supra, reads as collows:

54. Apparatus for geophysical exploration from the air comprising, the combination with a maneuvable airplane adapted to transport an operating crew and the hereinafter recited equipment, of a magnetic detecting instrument carried by the airplane and adapted while in the air automatically to receive and respond to with a sensitivity. of one gamma or less magnetic effects of earth anomalies related to mineral deposits, a support for said detecting instrument carried by the airplane in operative association with the detecting instrument and adapted automatically to stabilize the latter in relation to level and orientation regardless of motions of the airplane,

and a record making device also carried by the airplane in operative association with the detecting instrument and adapted simultaneously to make a record of the said effects of the said anomalies to which the detecting instrument responds.

detecting and measuring means, stabilizing means, and recording means albeit the language is changed. The principal difference presented to us appellants as having significance is the italicized passage in claim 1, it being argued that this is "a definite limitation, rather than a mere introductory preamble, because it d ir a ct 1 y specifies the arguratural claimed which comprises the thereafter recited elements." We are unimpressed by this contention. It is clearly no more than a preamble, is but the object or purpose of the apparatus, does not define structure and, as the Patent Office solicitor pointed out, is implicit in the words "for geophysical exploration." It cannot be relied on to differentiate claim I from claim 54. Appellants similarly argue about several other less evident changes in verbiage which we have carefully considered but the distinctions are even more tenuous and we see no need define the same combination of airplane [8] It is clear that these two claims

to discuss them. The claims speak for themselves. We find the same invention is being claimed in claim 1 as was claimed in claim 54.

Claim 4 differs from claim 1 in omitting the airplane as a positive element of the combination while using the preamble "Apparatus for aerial flight magnetic geophysical exploration for determining" etc. Appellants point to other differences from claim 1, an example being that "this claim refers to 'magnetic fields indicative of such deposits'. It is clear to us that it is in the same class as claim 1, a claim to the the same class as claim 1, a claim to the the same class as claim 1, a claim to the the same class as claim 1, a claim to the same invention in substance as claim 54 of No. 2885, though broader with respect to the means for achieving "aerial flight" and perhaps somewhat narrower in some other respects.

magnetic geophysical exploration using the apparatus broadly defined in claim 1 and differ from each other much as claims 1 and 4. differ, claim 3 exploring "from an airplane" while claim 5 calls for "aerial flight" exploration. Claim 3 Claims 3 and 5 are to a method of reads: 3. A method of magnetic geophysical exploration from an airplane for mineral deposits in the earth which includes the following steps: flying through the air above the terrain being explored means for automatically detecting and measuring with a pre-

cision sensitivity capability of one gamma or less at least one component of the magnetic field or fields encountered while automatically stabilizing the said detecting and measuring means in relation to level and orientation against motions of the airplane and simultaneously making a record of the measurements; identifying for desired subsequent operations the areas indicated by the record as containing a sought for deposit or deposits; and interpreting the record for determining the location, or the deposit or deposits. or deposits.

Claim 55 in the appeal on application No. 2885 reads:

erating crew and magnetic detecting equipment capable of automatically receiving and responding to with a sensitivity of one gamma or less effects of earth anomalies related to mineral deposits, such as changes in the earth's magnetic field or a magnetic field arthicially created in the earth; automatically stablizing said detecting equipment in relation to level and orientation during transportation regardless of motions of the transporting airplane; automatically making a record of the said effects of such anomalies which the detecting equipment is receives and to which it responds as it responds thereto; identifying for subsequent examination the terrain indicated by the said received and recorded effects as containing such anomalies; and geophysically inter-preting the record thus obtained. ation from a maneuverable airplane which includes the following steps: transporting by such an airplane over 55. A method of geophysical explorinvestigation an opan area under

these claims can lead to any other conclusion than that they define substantially the same invention. Aside from
pointing out that the same arguments
apply as those made with respect to
claim 1, all appellants do here is point
to such immaterial differences as that
between identifying the "area" containing a deposit (claim 3) and identifying
the "terrain" containing the anomalies
claim 55), asking us to reconsider patentability over the art because of such
differences. Appellants have had their
day in court on this method and are not
entitled to such reconsideration.

Apparatus claims 2 and 6-10 depend
from claim 1, adding thereto progressively limitations to a "permeability
bridge" as the "detecting and measuring" means recited in claim 1 and various details of that bridge. Claim 2 We are unable to see how a reading of

calls for "a permeability bridge" broadly without further limitation, claim 6 for an "alternating current-direct current permeability bridge," and claims 7-10 depend each from the preceeding claim, adding further details. Claim 7 reads:

7. Apparatus as defined in claim 6, in which the permeability bridge includes at least one pick-up coil having a core composed of highly permeable material that is extremely sensitive to magnetic variations and resists change in its operative characteristics when exposed to mechanical vibrations and thermic and barometric fluctuations such as nichrome. [Emphasis ours.]

Claim 51 in application No. 2885, previously adjudicated, reads:

54, in which the detecting instrument is provided with at least one coil having a core composed of metal which is not only extremely sensitive to variations in intensity of natural or artificially created magnetic fields but is also strongly resistive to change in its operative characteristics when exposed to mechanical vibrations, thermal variations, or barometric fluctuations, such Apparatus as defined in as nichrome. [Emphasis ours.]

The supporting disclosure behind both of these claims is, of course, identical since we are dealing with a continuing application and is, in part, as follows:

nating current-direct current permeability bridge similar to that described in United States patent to Theodore Zuschlag No. 1,896,737, dated February 7, 1933. This instrument or mechanism is based upon a magnetic effect set up in a nichrome wire, or its equivalent, which is used as a core in a coil energized by an alternating current simultaneously exposed to the effects of a direct current generated This detecting or investigating mechanism may be defined as an altereffects of a direct current generated in a substantially uniform field being investigated

Zuschlag patent No. 1,896,737 discloses a Wheatstone bridge network for detecting magnetic field fluctuations which occur in the magnetic testing of rails or the like, the bridge containing a pair of coils with ferro-magnetic cores, which the instant as well as the prior application suggests may be nichrome.

Claims 2 and 6 fall with claim 7 since they are simply intermediate claims 1 and 7 in scope. Claims 8, 9 and 10 merely add, successively to claim 7, connection to a source of alternating current for energizing the coil or coils, means for adjusting the field strength affecting

adjustment thereof. Appellants make no argument as to these last three claims, as distinguished from the others, merely nor details." Perforce, since Zuschlag is relied upon by appellant as the sole support for the specific limitations of the bridge recited in claims 2 and 6-10, Zuschlag is also prior art for these same limitations. However, one must still decide whether res judicata prevents reamination of the patentability of the cambination. Claim 51 in our prior case included, as the detector, a coil having a specific type of core. This is the same now recites as merely included in a permeability bridge circuit, or a permeability bridge circuit, were known to one skilled in the art. The bridge and single core perform and may a smeath measuring magnetic field variations in the same manner, any differences in seach measuring magnetic field variations in the details of the detector itself and not on the combination. We are therefore of the opinion that res judicata is controlling insofar as claims 2 and 6-10 are for the sume treention as they differ by merely progressively dereasing in the sum enterly in the sum enterly in the sum enterly in the sum enterly dereasing in the controlling insofar as claims 2 and elaims or detector). Insofar as they differ by merely progressively dereasing in the sum enterly dereasing in the controlling insofar as they differ by merely progressively dereasing in the sum enterly in the sum enterly included in a sum enterly inc merely progressively decreasing in scope by including obvious features shown by Zuschlag, they are hereby held to be unpatentable over the prior adjudicated and the independent nvention.

Claim 11 depends from claim 1 and

spect to and operatively connected in opposition to each main coil, and a record making device operatively connected with the magnetrons. 11. Apparatus as defined in claim 1, in which the detecting and measur-ing means includes a plurality of magnetrons, a main field coil coaxially sur-rounding and operatively connected with each magnetron, an auxiliary field coil coaxially positioned with re-

The feature of claim 11 is the use of the defined magnetron circuit as the "detecting and measuring" means which is one element of the combination broadly defined in claim 1, including a plurality of magnetrons, associated main field coils and an auxiliary field coil related in a particular way to each main coil. The "record making device" would appear to be the "means for automatically and simultaneously making a record" of claim 1 (which has its counterpart in claim 54 of No. 2885) with the requirement that it be "connected with the magnetrons."

or specific circuit connections is clearly suggested by the prior art bridge circuits which incorporate a plurality of magnetometers in the various arms of a balanced bridge circuit. Claim 11 is unpatentable because insofar as it would require a reexamination of the identical issues raised in the prior case, because of inclusion of the same subject-matter as the prior claims, res judicata controls and insofar as it differs from the claims positioning the auxiliary as well as the main field coil, one skilled in the art would coaxially position the windings and the magnetron to obtain the proper effect on the electron beam in the magnetron. The use broadly of a "plurality of magnetrons," as called for by claim around the magnetron," and is also illustrated as coaxial with the magnetron. In 11, without limitation as to positioning previously adjudicated we hold that those differences are only such as would be obvious and hence unpatentable. In the prior case application No. 2885 and also had claims to magnetron circuits as the follows:

57. Apparatus as 3.5.

54, in Which 57. Apparatus as defined in claim 54, in which the detecting instrument includes at least one magnetron together with a control coil operatively connected thereto and means for supplying electric current to the control coil. [Emphasis ours.] 58. Apparatus as defined in claim 57, which also includes an auxiliary feedback coil connected in opposition to the control coil. [Emphasis ours.] claim 11 in the instant case only as respects the use of a "plurality of magnetrons" as opposed to "at least one" and in the coaxial positioning of the two coaying associated with each magnetron. In our opinion on application No. 2885, as to claims 57 and 58 this court said, 113 USPQ at 536-537: subject matter of claim 57 on which it is dependent, reveals that it differs from Examination of claim 58, including the

the applications have been so treated at all times subsequent to the effective date of that act. The applications formerly before us were certainly so treated in With respect to appellants' general allegation that they were entitled to have their application passed on according to the law as set forth in the Patent Act of 1952, our review convinces us the our review convinces us that tion of various provisions of that act, nor agree with appellants on the this court. However, we did do we now. urement and detection of magnetic fields. Also, we have previously pointed out that the Hull reference fairly suggests the use of a magnetometer of a sensitivity of one gamma for use as the detecting instrument. It would be obvious to one skilled in the art, in view of the foregoing, to substitute a magneton for the magnetometer detecting instrument of Hull.

article discloses the general adapta-tion of magnetron circuits to the meas-

As aforesaid, the "Physical Review"

The decision of the board is affirmed.

known. Appellants have falled to question the accuracy of said statement by requesting that it be supported by an affidavit under Patent Office Rule 107 and did not present any evidence to contradict it. Therefore we are constrained to accept it as true. In re Lewis, 25 CCPA 1273, 96 F.2d 1009, 37 USPQ 786. In view of this fact, we fail to see that it would be inventive to use a feedback coil in With reference to claim 58, the board stated that the use of feedback members in electrical circuits is well netron coil as broadly recited in claim 58. The rejection of claim 58 is acconjunction with a conventional magcircuits is cordingly sustained.

were necessary to our finding that the claims in the prior case were unpatentable and res judicata precludes a recramination of those prior holdings.

In Hall's "Physical Review" article of the references in both this and The holdings on these disputed issues the prior case) the magnetron control 134 U.S.P.Q. 292

(Cite as: 49 C.C.P.A. 1295, 305 F.2d 859)



United States Court of Customs and Patent Appeals.

Application of Arthur B. STEELE, Jr., Edward J. Mills, Jr., and Donald G. Leis.

Patent Appeal No. 6719.

July 25, 1962.

Proceeding on appeal from the Patent Office, Serial No. 532,283. The Court of Customs and Patent Appeals, Smith, J., held that record of proceeding on application for patent on 'Polyoxyal-kylene Products' disclosed such substantial confusion at all levels of prosecution as to proper interpretation to be given appeal claims as to require reversal of rejection, which was based on alleged obviousness.

Reversed.

Worley, Chief Judge, dissented.

West Headnotes

291k16(3) Most Cited Cases (Formerly 291k18)

Rejection of patent on ground that claimed invention would be obvious to one skilled in prior art should not be based on speculations and assumptions as to meaning of terms employed and as to scope of claims. 35 U.S.C.A. § 103.

[2] Patents €=113(8)

291k113(8) Most Cited Cases

Record of proceeding on application for patent on "Polyoxyalkylene Products" disclosed such substantial confusion at all levels of prosecution as to proper interpretation to be given appeal claims as to require reversal of rejection, which was based on alleged obviousness. 35 U.S.C.A. §§ 103, 112.

[3] Patents **(3)**

291k113(8) Most Cited Cases

Upon determination that rejection of patent claims had been due to unsupported speculation and assumptions as to scope of claims, Court of Customs and Patent Appeals reversed with suggestion that claims be reviewed to insure compliance with statute governing specifications. 35 U.S.C.A. § 112.

Patents €=328(2)

291k328(2) Most Cited Cases

2,677,700. Cited as prior art.

**859 *1295 J. Hart Evans, Louis C. Smith, Jr., New York City, and Paul A. Rose, Washington D.C., for appellants.

Clarence W. Moore, Washington, D.C. (Joseph Schimmel, Washington, D.C., of counsel), for the Commissioner of Patents.

Before WORLEY, Chief Judge, RICH, MARTIN, and SMITH, Judges, and Judge WILLIAM H. KIRKPATRICK. [FN*]

FN*. United States Senior District Judge for the Eastern District of Pennylvania, designated to participate in place of Judge O'CONNELL, pursuant to provisions of Section 294(d), Title 28, United States Code.

SMITH, Judge.

The Steele et al. U.S. patent application Ser. No. 532,283, filed Sept. 2, 1955 relates to 'Polyoxyalkylene Products' which the specification*1296 says are chemical compounds having surface active properties. The specification asserts they are 'useful as detergents either alone or fortified with builders, as emulsifying agents for aromatic hydrocarbons in water, and as dispersing agents.'

The appealed claims were rejected by the examiner as 'lacking invention' over the prior Jackson et al. U.S. Patent No. 2,677,700 which issued May 4, 1954. In affirming this rejection, the Board of Appeals stated that 'appellants' claimed compositions would be obvious,' considering the Jackson et al. disclosure as a whole. The rejection on appeal appears, therefore, to be based on 35 U.S.C. § 103 and shall be so treated in this opinion.

Appellants have selected claims 1 and 13 as typical of those on appeal. These claims are as follows:

- '1. A polyglycol product consisting of a hydrophobe comprising an aliphatic monohydric alcohol containing between 1 and 8 carbon atoms having attached thereto a heteric mixed chain of ethylene oxide and 1, 2-propylene oxide groups, the weight ratio of ethylene oxide groups to 1, 2-propylene oxide groups being between 5 to 95 and 15 to 85 and the average molecular weight of said hydrophobe being at least 1000; and attached to said mixed chain a hydrophile **860 comprising a chain of ethylene oxide groups, the weight ratio of hydrophile to hydrophobe being between 0.8 to 1 and 1.2 to 1.
- 13. A polyglycol product consisting of a hydrophobe comprising an aliphatic monohydric alcohol containing between 1 and 8 carbon atoms having attached thereto a

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(Cite as: 49 C.C.P.A. 1295, 305 F.2d 859)

heteric mixed chain of ethylene oxide and 1, 2-propylene oxide groups, the weight ratio of ethylene oxide groups to 1, 2-propylene oxide groups being about 10 to 90 and the average molecular weight of said hydrophobe being at least 1000; and attached to said mixed oxide chain a hydrophile comprising a chain of ethylene oxide groups, the weight ratio of hydrophile to hydrophobe being about 1 to 1.'

As pointed out in the Jackson et al. reference the 'surface active agent art is old and it is a well recognized principle that all such agents are relatively large molecules that contain both hydrophobic and hydrophilic elements,' and further, that 'It is recognized that to obtain optimum surface active properties it is desirable to have a proper balance between hydrophobic and hydrophilic elements.' [FN1]

FN1. The following from Webster's New International Dictionary, 2d Ed. (1949) is relevant: hydrophile * * * adj. * * * Physical chem. Having or denoting a strong affinity for water; * * *. hydrophobe * * * adj. * * * Lacking strong affinity for water; * * *.

The relevant surface active agents disclosed by Jackson et al. are polymeric products in which each molecule contains two linked polyoxyalkylene chains, one hydrophobic and the other hydrophilic. For example, a polyoxypropylene chain will serve as the hydrophobic element and is formed by 'condensing' propylene oxide with 'an active hydrogen compound.' A polyoxyethylene chain will serve as the hydrophilic element and this in turn is formed by 'condensing' said hydrophobic element with ethylene oxide.

*1297 As active hydrogen compounds, Jackson et al. prefer those which: [FN2]

FN2. In addition to the specific compounds set forth herein, Jackson et al. list 29 other specific preferred compounds within 5 other compound classes

'* * * contain therein only aliphatic groups containing 1 to 5 carbon atoms as for example:

Aliphatic alcohols such as methanol, ethanol, propanol, isopropanol, butanol, secondary butanol, tertiary butanol, n-amyl alcohol, the monomethyl ether of ethylene glycol, the monomethyl ether of diethylene glycol, 2-choloroethanol, etc.'

Jackson et al. also state:

'A fundamental feature of this invention resides in the discovery that polyoxyalkylene chains, wherein the oxygen/carbon ratio is equal to or less than 0.33, are sufficiently hydrophobic at a critical chain length to serve as

the hydrophobic element of surface active agents.'

The teaching of the patentees is clear that a polyoxyethylene chain would have an oxygen/carbon ratio of 0.5 while a polyoxypropylene chain would have a ratio of 0.33. Further, to produce a polyoxyalkylene chain with an oxygen/carbon ratio less than 0.33, 1, 2-alkylene oxides [FN3] with a higher carbon content would be required. Examples of such oxides, according to Jackson et al., are butylene oxide and amylene oxide.

FN3. The generic term '1, 2-alkylene oxide' appears to include ethylene oxide and propylene oxide.

The surface active agents disclosed by appellants differ in certain respects from the agents of Jackson et al. which we have just described. Appellants' surface active agents are 'prepared by the addition of controlled quantities of ethylene oxide to a hydrophobe of minimum molecular weight made by the heteric addition of a mixture of 1, 2-propylene oxide and ethylene oxide to an aliphatic monohydroxy alcohol.' Said hydrophobe must be prepared from a mixture of ethylene **861 oxide and propylene oxide containing 5 to 15 percent by weight of the ethylene oxide, and must have an average molecular weight of least 1000. [FN4] Stated examples of the 'aliphatic monohydroxy alcohol' are 'n-butanol, 2-ethylhexanol, methanol, ethanol, n-propanol, isobutanol, 2-ethylbutanol, n-heptanol and isopropanol.'

FN4. Jackson et al. state that the number of oxyalkylene units in the hydrophobe, expressed as 'n', 'must be greater than 6.4'. Using oxypropylene (which has an oxygen/carbon ratio of 0.33) as the unit, the minimum molecular weight of Jackson et al.'s hydrophobe can be calculated to be about 371.

It seems apparent to us that appellants' hydrophobic element, as disclosed in their specification, containing as it must a polyoxyalkylene chain with both oxypropylene and oxyethylene units, would not be in accord with what Jackson et al. have termed the 'fundamental feature' of their invention, namely that the polyoxyalkylene chains of their hydrophobic element have an oxygen/carbon ratio of 0.33 or less. In other words, it seems to us appellants have gone beyond the *1298 express limits of Jackson et al. and have discovered that a mixture of proplylene oxide and ethylene oxide is effective as a hydrophobic element of a surface active agent.

Appellants sought to overcome the rejection on the Jackson et al. reference by comparative tests which are described in the several affidavits of record. In affirming the examiner's rejection that the 'single comparison' made in the tests does not establish patentability of the wide range of compositions being claimed, the board stated:

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** * the affidavits may be accepted as demonstrating the superiority of the samples of appellants' polymers employed in these tests over samples of the polymers of the reference patent. We agree however with the examiner's holding that the affidavits do not establish the patentability of the wide range of compositions covered by the appealed claims.'

We are unable to understand the board's phrase 'patentability of the wide range of compositions covered by the appealed claims.' This becomes even more of an enigma when we study the board's opinion and find that the board supports its position by saying:

'The language of these claims, including such terms as 'comprising an aliphatic monohydroxy alcohol containing between 1 and 8 carbon atoms', (covering such alcohols as the monoalkyl ethers of ethylene glycol used by Jacksons et al.) and 'comprising a chain of ethylene oxide groups' (allowing the inclusion of such water solubilizing groups as the sulphate, phosphate and borate of Jackson et al.), cover compounds which are more nearly akin to detergents described by the reference than the materials actually disclosed in appellants' specification. In these circumstances, the reported comparisons fall short of indicating the patentability of the appealed claims.'

While the claims on appeal contain the language quoted by the board, we do not find in appellants' specification any composition, let alone a 'wide range' of compositions, which supports the board' position that 'a wide range of compositions is covered by 'the appealed claims.'

Reference to claim 1 indicates that the 'product' therein recited consists of a 'hydrophobe' and a 'hydrophile' which, as claimed, are said to comprise, respectively, a 'chain of ethylene oxide and 1, 2-propylene oxide groups,' and a 'chain of ethylene oxide groups.' Consultation of numerous technical dictionaries and text books indicates that the terms 'ethylene oxide' and '1, 2-propylene oxide,' as used by those skilled in this art, designate chemical compounds or molecules and not 'groups' as claimed. A chemical 'group' appears to be but part of the structure of a complete molecule. There is nothing in the specification to indicate that these terms are used in the claims in other than their accepted **862 technical meanings. We question, therefore, whether the disclosed compound can be said to comprise either a 'chain of ethylene oxide groups' or a 'chain of ethylene *1299 oxide and 1, 2- propylene oxide groups' as claimed. It appears from the specification that ethylene oxide and 1, 2-propylene oxide are used solely as reactants to produce these chains so that after the reaction these starting materials are not present per se as 'chain' units.

Next, we observe that the 'hydrophobe' portion of the claimed 'product' comprises 'an aliphatic monohydric alcohol containing between 1 and 8 carbon atoms having

attached thereto a heteric mixed chain.' [FN5] It is our understanding that even in the case of the simplest alcohol. methanol, CH(3)OH, there is more than one possible point of attachment and more than one possible mode of attachment for such a 'chain.' For example, the alcoholic hydroxy group might be left intact or might be altered when the 'chain' is 'attached' to said 'alcohol.' The specification actually discloses only the use of the alcohol as a reactant which is transformed into a non-alcoholic group, specifically either an alkyl or an alkoxy group, [FN6] when it becomes a part of the final 'polyoxyalkylene monoalkyl ether' 'alkel monoether or of heteric oxyethylene-oxypropylene diol,' these being the only type of 'polyglycol product' [FN7] disclosed.

FN5. We question whether an alcohol 'containing between 1 and 8 carbon atoms' includes methanol and 2-ethylhexanol as required by dependent claims 17 and 21, respectively.

FN6. In the case of methanol, these would be methyl, CH(3-), or methoxy, CH(3)O (-).

FN7. Hackh's Chemical Dictionary, 3d Ed. (1944), defines 'polyglycol' as: 'A dihydroxyether formed from two or more glycol molecules by dehydration.'

Thus the 'product' claimed has been defined in claim 1 partially in terms of the reactants used to produce it, namely the aliphatic monohydric alcohol, ethylene oxide, and 1, 2-propylene oxide. To this extent, this claim, and the other appealed claims, are of a product-by-process nature. However, other claim terms such as 'polyglycol' and 'chain' can be construed reasonably only as references to the structure of the claimed 'product.'

The interpretation of the claim, which was apparently adopted by the Patent Office, if we properly understand the rejection, is that the claim covers each chemical compound which would be produced in the reaction of the monohydric alcohol with the mixture of the ethylene and propylene oxide called for in the claim. The difficulty we find with this interpretation is that it ignores the term 'heteric' which is present in the claim. Applicant contends that the word 'heteric' refers to random distribution of the oxyethylene and oxypropylene groups in the hydrophobe. If the claim is construed as a claim generic to all possible individual compounds, as the examiner and the board appear to have done, the concept of a 'mixed chain' might apply to the hydrophobe. However, this interpretation ignores the concept of randomness which is inherent in the term 'heteric'. We think the term 'heteric' in the claims requires that a large number of different configurations of the hydrophobe be present at the same time.

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(Cite as: 49 C.C.P.A. 1295, 305 F.2d 859)

*1300 [1] Our analysis of the claims indicates that considerable speculation as to meaning of the terms employed and assumptions as to the scope of such claims were made by the examiner and the board, we do not think a rejection under 35 U.S.C. § 103 should be based on such speculations and assumptions. There is an admission by the board that the affidavits submitted show superiority of 'samples of appellants' polymers employed in these tests over samples of the polymers of the reference patent'. Before it can be held that the claims on appeal cover 'a wide range of compositions,' it is essential to know what the claims do in fact cover. As we have previously indicated, our analysis of the claims leaves us in a quandary as to what in fact is covered by them. We think the **863 examiner and the board were wrong in relying on what at best are speculative assumptions as to the meaning of the claims and basing a rejection under 35 U.S.C. § 103 thereon.

[2] Our study of the lengthy record of the Patent Office prosecution provides ample support for our conclusion that substantial confusion exists in the record at all levels of the prosecution as to the proper interpretation to be given to the appealed claims. We believe that this confusion arose and has continued because the claims do not particularly point out and distinctly claim the invention as required by 35 U.S.C. § 112.

We therefore have decided to resolve the issue herein by reversing the decision below because we find it based on unsupported speculative assumptions.

[3] Our decision is not to be construed as meaning that we consider the claims on appeal to be patentable as presently drawn. These claims should, it seems to us, be reviewed to insure compliance with 35 U.S.C. § 112. See In re Citron, 251 F.2d 619, 45 C.C.P.A. 773.

The decision of the Board of Appeals is reversed.

*1295 Reversed.

*1300 MARTIN, Judge (concurring).

I agree with the majority that the board erred in rejecting on 35 U.S.C. § 103 the claims at bar since the rejections were based on meanings of the claims which were established by 'speculative assumptions' of the board. However, I know of no statute, nor does the majority cite one, which gives this court the authority to point out to the board a possible new basis for rejection that the board may have overlooked in this case. [FN1] It seems to me that such judicial prompting is unwarranted. In my opinion that court has no right to take this action which may affect adversely litigants' rights in the claims as drawn.

FN1. No statutory authority is cited by this court for taking similar action in In re Citron, 251 F.2d 619, 45 C.C.P.A. 773.

*1301 WORLEY, Chief Judge (dissenting).

I respectfully suggest that the quandary in which the majority finds itself is purely of its own making and wholly unnecessary. Applicants for patents have complete freedom in phrasing their claims. If the language they employ is of such a nature as to run afoul of the prior art, as is clearly the case here, then the Patent Office is obliged to reject such claims. They have properly done so here.

The examiner, the board, and appellants agree that the claims call for a compound. Despite that accord by those presumably skilled in this particular art, the majority feels obliged to disregard that unanimity of view and substitute instead our own limited knowledge of advanced chemistry.

I would remind my colleagues that Congress has seen fit to restrict the jurisdiction of this court. 35 U.S.C. § 144 clearly states that our decisions 'shall be confined to the points set forth in the reasons of appeal.' Since the parties agree what the claims cover, this court has no authority to go so far afield as it is doing here.

The majority concludes by saying:

'Our decision is not to be construed as meaning that we consider the claims on appeal to be patentable as presently drawn. These claims should, it seems to us, be reviewed to insure compliance with 35 U.S.C. 112. See In re Citron, 251 F.2d 619, 45 C.C.P.A. 773'.

I agree with the first sentence since our decisions should never be construed as deciding any issues other than those raised in the reasons of appeal. However, this court has no business suggesting to the Patent Office that it review matters not raised in the reasons of appeal. If Citron stands for such a proposition, the quicker it is overruled the better for the litigants, the Patent Office and this court.

305 F.2d 859, 49 C.C.P.A. 1295, 134 U.S.P.Q. 292

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no obligation rests upon the patentee to turn his specification even if he does not know of it at the time of the patenting . . . the scope of the claims and actually possessed by his mechanisms, patent construed with reference to that unspoken advantage since the patentee is entitled to the benefit of every function within into a trade circular. .. nevertheless, (the inventor would) be entitled to have his

quoted from Mead-Morrison Mfg. Co. v. Exeter Machine Works, supra, Or as Judge Buffington said in the language previously

advantage such device may have. requirements of the law are satisfied, without claiming every ing the life of the patent, and the public when it expires. unsuspected additional benefits the patentee is the gainer duruse, practice, mechanism, formula, etc. are fully disclosed, the versed in the art to thereafter use the device and where such The gist of a disclosure is that it be so full as will enable those If subsequent use discloses

> Stanley D. Schwartz*

PATENT OFFICE PROSECUTION RES JUDICATA AS APPLIED IN & PATENT ENFORCEMENT LITIGATION

LNTRODUCTION

administrative proceedings before the U.S. Patent Office rigid rules of res judicata has already been achieved in notions of res judicata, as now applied in patent inresulted in a proposal, to Congress, that the traditional fringement suits, be relaxed. Such a relaxation of the cluded a study on the United States Patent System, has The President's Commission, which has recently conment litigation and Patent Office proceedings, has long It is the purpose of this paper to examine the status The topic of res judicata, as applied to patent enforce and continues to be, a subject of much interest.

ceedings before the Patent Office, although application may take, in order to maximize the interests of both the object of this paper to suggest a direction that Congress owner and the public at large. It is, therefore, a further of these principles will be most important to the patent of res judicata has reached a degree of certainty in propatentee. the same time protecting the legitimate interests of the public, in general, and business, in particular, while at of res judicata principles in patent enforcement litigation tion. It is an object of this paper to show how the law is still in the developing stage. The direction and scope fore the Patent Office and in patent enforcement litigaof res judicata both in administrative proceedings be-

TRADITIONAL NOTIONS OF RES JUDICATA AND COLLATERAL ESTOPPEL.

describe the effects of various types of judgments. Res judicata, under current usage, has been used to \mathbf{Res}

^{*} Examiner, Group 160.

1 For a general discussion of res judicata and collateral estoppel, see I B Moore, Federal Practice \$.401-.488 (Fed. 1965); Developments in the Law—Res Judicata, 65 Harv. L. Rev. 818 (1952).

tion or final verdict was actually rendered.2 of the first action. This aspect of the doctrine of res part, of the very cause of action which was the subject toppel only as to those matters upon which a determina in its scope than res judicata by bar, operates as an es claim or demand, an estoppel by judgment, more limited "merger" where the subsequent action proceeds on all, or ment of finality to judicial determinations and an end to by judgment. If the second action is upon a different differs from the second aspect of res judicata, estoppe by considering the former judgment as a "bar" or litigation between parties. This may be accomplished udicata, sometimes called res judicata by bar or merger, and its variants all seek to provide the ele-

have been acted upon in the prior suit. relitigation, not only of those matters actually litigated ment in the prior action operates as an absolute bar to privies, of the same claim or cause of action, the judgaction or claim, can bar relitigation by parties or their prior adjudication rendered on the merits of a cause of in the prior suit, but also any other matter which might Under the doctrine of res judicata, a valid, final and

which results in a more liberal application of res judi Under the Federal Rules of Civil Procedure's the doctrine of res judicata is given a more rigid application tems wherein there is a very strict theory of pleading under one claim. This is unlike the various code sysbecause all possible theories of relief can be included

a particular claim, under the rules of res judicata, a judgment. In the proper case, a judgment may be vacated itigant is afforded a wide range of protection from a Although a party may be precluded from relitigating

to move for a new trial under Rule 59(b)." 9 also be reopened by a motion for a new trial? or may just effects of a "void" judgment. A judgment may a litigating party may seek to be relieved from the unthe judgment sor for newly discovered evidence, "which be altered or amended by a motion to alter or amend or amended by direct or collateral attack. For example, by due diligence could not have been discovered in time

necessary to the result.12 determination of the matter or point must have been very fact or point in issue was, in the former action, suit, the one who claims its benefits must show that the pel is involved between the same parties as in the original litigated by the parties, determined by the court, and the they cannot be litigated again.11 Where collateral estopis a different claim or cause of action commenced, and the same issues were tried and previously determined, Under the doctrine of collateral estoppel, where there

are applied, do not become binding upon the parties under lateral estoppel effect equally with findings of fact. 13 legal consequences of specific facts are entitled to colthe principle of res judicata, although rulings upon the Rulings of law, divorced from the facts to which they

Res Judicata in Administrative Proceedings 14.

As Professor Davis succinctly notes:

of the same claim or issues are precisely the same for some ad the reasons against a second litigation between the same parties

² Cromwell v. County of Sac, 94 U.S. 351 (1876). This case provides an excellent discussion as to the distinctions between res judicata by bar and estoppel or by judgment or collateral estoppel. (See P. 550—James on Civil Procedure). This distinction has been confirmed and restated by the Supreme Court in Tail v. Western Md. Ry., 289 U.S. 620, 523(19); Commissioner v. Sunnen, 333 U.S. 591, 597 (1948). missioner v. Sunnen, 33 8 Fed. R. Civ. P. 8(a)

James, supra note 1 at 553-557

⁶ Fed. R. Civ. P. 60(b) provides that a motion to vacate a judgment on the ground that it is void must be "made within a reasonable time."

7 Fed. R. Civ. P. 59(a)-(d). ⁶ See 1 B Moore, 13, § 0.405(1), at 622; see also James, supra note 1, at

he ground that it is void must be "made within a reasonable time."
7 Fed. R. Civ. P. 59(a)-(d).
8 Fed. R. Civ. P. 59(e).
9 Fed. R. Civ. P. 69(e).
9 Fed. R. Civ. P. 60(b)(2).
10 See, in general, Scott, Collateral Estoppel by Judgment, 56 Harv. L.
Rev. I (1942); Polasky, Collateral Estoppel—Effects of Prior Litigation
9 Iowa L. Rev. 217 (1954).
11 Cromwell v. County, of Sac, supra note 2, at 353.

¹² Pousky, supra, at 222.

13 Commissioner of Internal Revenue v. Sunnen, supra note 2.

14 Holton. The Doctrine of Res Judicata in Ex. Parte Patent Practi
Prototype for a Liberal Approach, 10 Rutgers Law Review, 716 (1956). t Practice—

ministrative determinations as they are for most judicial determinations. The sound view is therefore to use the doctrine of res modify it when modification is needed, and to reject it when the reasons against it outweigh those in its favor 18 judicata when the reasons for it are present in full force, to

the Court noted: has also been shared by many courts. In one such case 19 This view of res judicata in the administrative process

tive Departments of Government, yet in administrative action as well as in judicial proceedings, it is both expedient and necessary that there should be an end of controversy. . . . In what sense, to administrative or quasi-judicial action in the Execuadjudications at the common law do not apply, in the strict cumbent upon the office as a duty to entertain such applications judicate a second application for a patent after the first applica-tion has been rejected. What we decide is that it is not inwe have said we do not desire it to be understood that the Patent Office may not, if it thinks proper so to do, entertain and ad-While the rules that govern the finality and conclusiveness of In what

particular agency deals in "past facts," 17 particular problems involved. Professor Davis notes actions, it may be qualified or relaxed, depending on the not work well, when applied to particular administrative that the doctrine should be applied in full force, where the Whenever the traditional doctrine of res judicata does

RES JUDICATA IN EX PARTE PATENT OFFICE PROCEEDINGS

the Earlier Case. The Requirements of a Final Appellate Decision of

cution. not to frustrate the patent laws regarding patent prose requirements of the applicability of res judicata so as Board of Appeals of the Patent Office, have relaxed the toms and Patent Appeals (C.C.P.A.), as well as the ner in which res judicata is utilized. The Court of Cus-Office, is a more "relaxed" form of the traditional man-Res judicata, as applied in the United States Patent

close a utility as required under 35 U.S.C. 101, etc. correct a statutorily insufficient disclosure 21 or to disaction, the applicant is given another opportunity to Office Board of Appeals,19 or he may file a second applieation.20 If the applicant chooses the latter course of choice of two alternative methods of continuing his application in order to secure a patent: he may either apgiven a final rejection on his application, he has a recent pronouncements by the CCPA.18 In the ex parte ings has become somewhat more uniform due to several seal the final rejection of the Examiner to the Patent prosecution of a patent application, where an applicant The applicability of res judicata to ex parte proceed

judicata to an unappealed final rejection seems to be The C.C.P.A. has commented that the application of res

ments, and conservation of judicial time and energy.... [The]
Patent Office practice abounds with procedures which afford plication is at variance with the entire concept of continuing applicant every opportunity to secure the full protection to which he is lawfully entitled. Often, the filing of a continuation particularly inappropriate means for achieving the normal goals applications effective reconsideration of the same issue. In many ways, apor a continuation-in-part results in a fresh approach to and an of the res judicata doctrine, i.e., reliability and finality of judg-

fume and energy are to be expended, even unnecessarily, it is much more desirable that such expenditure should occur at administrative levels. On balance, we believe that an applicant should be encouraged in, rather than penalized for, promptly With regard to the goal of conserving the time of administrative gand judicial tribunals, res judicata rejections would seem to have dire uniformly held to be res judicata, the applicant has no direct other than appeal or abandonment of his case. But if exactly the opposite effect. For if unappealed final rejections

¹⁶ Davis, Administrative Law, p. 327.
16 In re Baratt's Appeal, 14 App. D. C. 255 (1899)
17 Davis, op. cit. supra note 14, at 329.

Discation of In re Sawarc 319 F.2d 80, 144 U.S.P.Q. 637 (CC.P.A. 1965); Application of In re Sawarc 319 F.2d 277, 138 U.S.P.Q. 208 (C.C.P.A. 1963); In C. Fried, 312 F.2d 930, 144 U.S.P.Q. 639 (CC.P.A. 1963); In order to maintain the filing date of the first application, the applicant may file a continuation application (U.S. Manual of Patent Examings) Procedure, \$ 201.07 (ed. 1961) (hereinafter cited as M.P.E.P.) or a continuation-part application (M.P.E.P. § 201.08)).

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filing a better application after final rejection instead of appealing, especially where so much of the procedural machinery of the Patent Office is designed to permit just such a remedy.²² (Emphasis added)

sequent application. It was this decision which has caused much of the confusion in the application of res judicata in Patent Office proceedings. two distinct lines of cases which developed subsequent discretion, apply the doctrine of res judicata in a subto the Supreme Court's holding in Overland Motor Co. v. Packard Motor Co.,24 that the Patent Office may, in its Prior to the decision in In re Hitchings,23 there were

art.25 with any authority to reject on the grounds of res judicata if the unappealed final rejection was based on prior The first line of cases does not provide the Patent Office

that section 201.11 embodies a special situation concernwas a "final, appellate one," this section goes on to state tion," which finds support in section 201:11 (MPEP).20 judicata should only be used where the earlier decision While section 706.03(w) of the M.P.E.P. urges that res The second line of cases deals with a "special situa-

was no final appellate decision.20 Patent Office to involve res judicata, even though there disclosure, in a continuing application is said by the urged, and so held in numerous decisions,28 that an attempt to rely on the parent case, rejected on insufficient ing res judicata.27 In such a "situation," it has been

cept of continuity between filing dates and not with res tion 201.11 will show that it deals expressly with the conto a lack of understanding of the true meaning of the relevant sections of the MPEP. An examination of sec-Judicata. development of the two lines of cases, may be attributed Much of the confusion which has resulted due to the

B. Issues Must be Identical.

tion of its allowability. higher court, i.e., the Court of Customs and Patent Appeals or the Federal District Court, for the District of appeal (by the Patent Office Board of Appeals or a claim, has been previously rejected, and sustained on Columbia), the applicant cannot again raise the ques-Thus, where the same claim, or substantially the same the requirement that the issues in both cases be the same. Before a rejection on res judicata can be had, there is

res judicata should not lie 30 because the issue in the second case has not been previously litigated. leged deficiency in the original application, a rejection on case which has been rejected on an insufficient disclosure. though the claims in the case are the same as the first Where new matter has been added to overcome the alnew application with a more complete disclosure, al-Problems arise as to whether the applicant may file a The precise

²² See In re Hitchings, supra note 17, at 85.
23 Ibid.
24 274 U.S. 417 (1927). An analysis of the two distinct lines of cases is set forth in 33 Geo. Wash. L. Rev. 1149, 1150 (1965).
26 This position has support in sections 201.11 and 706.03(w) of the

Where an application has been prosecuted to a final rejection, an applicant may have recourse to filing a continuation in order to introduce a new set of claims and to establish a right to further examination by the Primary Examiner.

MPEP \$ 706.03(w) states in part:

The rejection should only be used when the earlier decision was a final, appellate-one, such as a Board of Appeals decision ... or a decision by the Court of Customs and Patent Appeals. But see (M.P.E.P.) \$ 201.11 for a special situation.

28 MPEP \$ 201.11 states in part:

When Not Entitled to Filing Date
Where the first application is found to be fatally defective because of insufficient disclosure to support allowable claims, a second application filed as a "continuation-in-part" of the first application to supply the deficiency is not entitled to the benefit of the filing date of the first application.

ar Ibid.
27 See Note, 33 Geo. Wash. L. Rev. 1149 (1965); Kananen, Comments and Observations on Res Judicata and Patent Law, 18 W. Res. L. Rev. 113, 112-114 (1966).
28 The Board of Appeals appeared to stray from this position in Exparte Pfleger, 342 F.2d 83, 131 U.S.P.Q. 439 (P.O. Bd. App. 1961).
29 See note 20.

of the disclosure that must comply with the statutory requirements of 35 U.S.C. 112.81 In the subsequent apapplication. Thus, where new matter is introduced in ground of rejection and its statutory basis in the second tory basis must be examined and compared with the ground of rejection of the first application and its statuplication. plication, the issue is whether the claims are entitled in the parent application so as to comply with section ing date,32 the invention must be sufficiently disclosed to the benefit of the earlier filing date of the parent apbe improper because the issues in the two cases are diffirst application, a rejection based on res judicata would the second application, to overcome the deficiency in the In the first case, the issue involved the sufficiency In order to have the benefit of the earlier fil-

adequate support in the parent application. Although claims to read "methyl group," for which there was filed continuation-in-part, the applicant narrowed the based on an insufficient disclosure. In the subsequently in In re Fried, a parent application had a generic claim reading "any lower alkyl group" which was held to be the disclosure of the parent application. For example, rowed in scope, and which are adequately supported by may be desirous of introducing claims which are narnot enough to say that there is a different claim presentthe Court said "different claims" were presented, it is In the filing of a continuation-in-part, the applicant

40 Id., at 188.

the earlier filing date?).88 second case involved was one of continuity between fling dates (i.e., did the second case have the benefit of closure under section 112,35 whereas the issue in the the first case, the issue involved the sufficiency of dis-In actuality, two different issues were present.

will have the benefit of the earlier filing date. port, then the claims of the continuation-in-part case the claims in the continuation-in-part? If there is supthe disclosure in the parent case is sufficient to support answered before res judicata can be applied, is: whether are different. The important question that must be not logically answer the question of whether the issues cable where there are different claims rejected on a difcata, or more properly, collateral estoppel, is inapplipurely mechanical test used by the District Court does v. Ladd, 39 further stated "that the doctrine of res judiclaims, as compared to the generic claims in chemical more disclosure is required to support the more narrow ferent basis in the continuation application..." This in the continuing application.38 The Court, in Kollsman inequity to occur when the broader claims are presented cases. tion. Actually, in mechanical cases, unlike chemical cases, er than the claims presented in the continuation applica was based on claims in the parent case which are broad sults if res judicata is used where the prior adjudication of a mechanical case illustrating the inequity which re-The Court, in Fried, 87 provides an unfortunate example Therefore, it is possible for the same type of

on 35 U.S.C. 112 states in part: "The specification shall contain a written description of the invention, and of the manner and process of making and using it such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention." (Emmode contemplated by the inventor of carrying out his invention."

phasis added)
32 35 U.S.C. 120 (1964 ed.).
38 Section 201.11 of the MPEP is also directed to preventing the addition of new matter to supply the deficiency in those cases where the earlier filing date is sought, and this provides the conditions that must be met before an earlier date can be obtained. The second application "must be an application for a patent for an invention which is also disclosed in the first application." M.P.E.P. 201.11 (emphasis added)
34 In re Fried, supra note 17.

³⁶ See note 31, supra.
38 See note 82, supra.
37 See note 17 supra.
38 See note 182, supra.
37 See note 17 supra.
38 Kollsman v. Ladd, 140 USPQ 309 (D.D.C. 1964). The reasoning of the Court in Fried, that although the broad claims of the parent case may be based on an insufficient disclosure, the more narrow claims are likely to find support in the disclosure of the parent case and thus have the benefit of the earlier filing date. This same reasoning does not apply in the reverse situation, where the narrow claims of the parent case as based on an insufficient disclosure, in a mechanical case, because the disclosure would usually encompass claims of a broader scope. 89 Ibid.

there is no new issue presented.41 is no support in the parent case, it may be argued that

art. 43 claim.42 claims and the appealed claims), and such differences are subject matter (i.e., between the previously adjudicated or substantially the same claim, but also the claims which application even though the claims in the two cases are in the later application differs from that of the former res judicata will not apply where the utility disclosed obvious modifications which may be shown by prior will be held where there are differences in the claimed present nothing patentably different from the previous the same.44 Collateral estoppel applies not only to the same claim, However, a Board of Appeals decision held that In Lundberg, the Court held that res judicata

41 In Kollsman, the rejection was not on a different basis, but rather involved a determination as to whether the claims of the continuation-in-part (C.I.P.) had sufficient support in the parent case so that the "C.I.P." would have the benefit of the earlier filing date of the parent case.

42 In re Ellis, 1937 C.D. 153 (C.C.P.A. 1937); In re Prutton, 97 U.S.P.Q. 447 (C.C.P.A. 1953); In re Lundberg et al., 126 USPQ 412 (C.C.P.A. 1960); In re Hellbaum, 152 U.S.P.Q. 571 (C.C.P.A. 1967); Ex parte Boukidis, 154 U.S.P.Q. 444 (P.O. Bd. App. 1967).

** Ex parte* Schott, 136 USPQ 383 (P.O. Bd. App. 1962). In this case, the Board reversed the res judicata rejection and held that although the claims in the later case were to "precisely the same physical structure," the previous application disclosed its use as a calculating device, whereas the later application disclosed that the device is useful as an instrument for teaching principles of the decimal system, and thus a different issue of patentability was present. The Board said (note at 385) ". . a prior adjudication should not be considered as binding or be followed when passing upon the same claim where a different question of patentability is presented for adjudication because of new evidence or new issues." (Emphasis added) In Ex parte Budde 150 USPQ 469 (P.O. Bd. App. 1966) the Board felt the language used by the Board in Schott was too broad and thus held that applicant could not present new evidence to show unobviousness. The Board reasoned that the additional evidence merely supports applicant's argument in the original appeal, and no new issue (i.e., a new utility) was presented, as in Schott. However in the recent case of In re Herr, 153 USPQ 548 (C.C.P.A. 1967), the Court held that res judicata is inapplicable where the applicant presents additional evidence of patentability not presented in the parent case. The court stated. "Granted the instant parties and claims are identical with those of the parent Herr application and, in a broad sense, the issue in the original appeal was sherle whether those claims were allowable in view of the prior art. More to the point, however, the precise issue in the prior Herr appeal was whether appellant was entitled to the allowance of his claims in the application and record them on appeal. The precise issue here is

a degree of stability has been added to ex parte practice. ciples of res judicata have been considerably relaxed and As a result of recent decisions, the application of prin-

Res Judicata in Patent Infringement Litigation

of the prior suit been opposite. a party, or a privy, to the prior suit, 46 and would also judgment must ordinarily be mutual (the conventional doctrine recognizes some exceptions).45 Thus a party to have been bound by the prior judgment had the outcome trine of res judicata or collateral estoppel must have been a subsequent suit who attempts to utilize either the docorder for a judgment to be binding, the estoppel of the According to the doctrine of mutuality of estoppel, in

he will be bound. had the opportunity to litigate the very issue upon which one against whom the judgment is invoked would have a party. Such a result would not be unfair because the not parties to the first action against one who was such making collateral estoppel available to those who were and to be heard thereon." 48 Critics of the rule desire portunity to present all facts pertinent to a controversy when a party has had a full, free and untrammeled opcase, " because the rule "runs counter to the salutary public policy that there be a definite end to litigation in recent years and has been departed from, in a recent The doctrine has been the subject of much criticism

(i.e., a more limited estoppel), believe that a party is On the other hand, proponents of the mutuality rule

whether appellant has legally established his right to those claims in the application and record now before us."

48 See, e.g., I Freeman, Judgments, § 428 (5th ed. 1925).

49 I B Moore, supra note 13, § 0.412.

47 Currie, Mutuality of Collateral Estoppel: Limits of the Bernhard Doctrine, 9 Stan. L. Rev. 281 (1957), and his later article, Civil Procedure: The Tempest Brews, 53 Calif. L. Rev. 25, 38.46 (1956) wherein the decisions are collected and analyzed. Bernhard v. Bank of America National Trust & Savings Association, 19 Cal. 2d 807, 122 P.2d 892 (1942); Bruszewski v. United States, 181 F.2d 419 (3rd Cir., 1950); Zdanok v. Giidden Co., 327 F.2d 944 (2nd Cir., 1964), cert-denied, 377 U.S. 934

48 Nickerson v. Pep Boys—Manny, Moe & Jack, 247 F. Supp. 221, 148 Jack, 247 F. Supp. 221,

two litigants.50 sions, as well as putting an end to controversies between a litigant from the harassment and expense of having potential adversary.49 by not subjecting the same parties to conflicting decithermore, the doctrine also stabilizes legal relationships to repeat his defense on an issue already decided. Furentitled to his day in court on each issue against each The doctrine also seeks to protect

ment and validity has been finally adjudicated, the docclude trines of res judicata and collateral estoppel will prethe alleged infringer.53 Once the question of infringehis patent 51 in a civil action for infringement 52 In the typical patent suit, the patentee may enforce the same parties from relitigating the same is against

suit upon the same claim against a different defendant. verse to a claim in a patent does not preclude another commonly apply the general rule of mutuality. In Triplett v. Lowell, 55 the Court held that an adjudication ad-The Court stated: Where the parties are different, however, the courts

weight in a later litigation and thus persuade the court defendant. cludes another suit upon the same claims against a different adjudication adverse to any or all the claims of a patent pre-Neither reason nor authority supports the contention that an While the earlier decision may be given great

not be pleaded as a defense to render a like decree, it is not res adjudicata (sic) and may

cern for the broader public problems is essential. status of the mutuality rule in validity litigation. considered before a conclusion can be drawn as to the may be litigated ad infinitum. However, there are more important factors in the public interest which must be sions.⁶⁰ As a result, the mutuality rule should be mainis no danger of being victimized by inconsistent deciexpense, nor compelled to relitigate an issue, and there tained, and a patent which has been adjudged invalid previous patent suit is neither harassed, put to additional rule in Triplett v. Lowell 57 in patent-validity litigation, Triplett.59 Courts have reasoned that "a stranger to a to follow, with only one exception,58 the rule set down in the courts of appeals and district courts have continued Since the Supreme Court's affirmation of the mutuality

mented: In Aghnides v. Holden, i Judge Schnackenberg com-

⁴⁹ James, supra note 1, at 597-599 (1965); Note, Res Judicata With Reference to Persons Neither Parties nor Privies—Two California Cases, 57 Har. L. Rev. 98, 105 (1943).

So See the recent case, Technograph Printed Circuits, Ltd. v. United States, F.2d, 153 U.S.P.Q. 298, 303-04 (Ct. Cl., 1967), where the Court refused to allow a defendant-infringer to utilize the estoppel defense. 51 See 35 U.S.C. 281 (1964).

52 U.S.C. 281 (1964).

53 U.S.C. 281 (1964).

54 U.S.C. 271(a), the patentee is given the right to exclude all others from making, using, and selling, the claimed invention. Where such an action is brought, the defendant will usually set up a defense of invalidity of the patent. Most patents are held invalid because the intention was obvious to one of ordinary skill in the art, at the time of the invalidation of the increase of the intention was obvious to one of ordinary skill in the art, at the time of the increase.

⁵⁴ Plymouth Rubber Company, Inc., v. Minnesota Mining and 267 F.2d, 443, 125 U.S.P.Q. 508 (D. Mass. 1960). Manu-

⁵⁶ Id. at 642, c.f. Nickerson, supra note 47, at 222, where the Court criticized the Triplett decision as not resting on a solid foundation, primarily because the Court cited two decisions, Mast, Fova, & Co. v. Stover Mfg. Co. 177 U.S. 485 (1900) and Santary Refr. Co. v. Winters, 280 U.S. 30, 35 (1929), both of which deal with comity, and not res judicata or collateral

⁵⁸ Nickerson, supra note 48.

58 Nec, e.g., Automatic Radio Mfg. Co. v. Hazeltine Research, Inc., 176
F.2d 792, 808, 82 USPQ 324, 332 (1st Cir. 1949), aff'd 339 U.S. 827, 85 USPQ
378 (1950); Tatko Bros, Slate Co. v. Hannon, 122 USPQ 585, 586 (2nd Cir., 1959), cert. denied, 361 U.S. 915, 123 USPQ 591; Urguhart v. Commissioner, Internal Revenue Service, 102 USPQ 427, 429 (3 Cir. 1954); S. H. Kress & Co. v. Aghnides, 113 USPQ 395, 396-97 (4 Cir., 1957); Bros Inc. v. W. E. Grace Mfg. Co. 147 USPQ 1 (5th Cir., 1966); Gordon Johnson Co. v. Hunt, F. Supp., 96 USPQ 92 (D.N. Ohio, 1952); Technograph Printed Circuits, Ltd. v. Methode Electronics Inc., 148 USPQ 181 (7th Cir., 1966); John Deere Co. of Kansas City v. Graham, 142 USPQ 243 (8th Cir., 1965); Abington Textile Machinery Works v. Carding Specialists Ltd., 148 USPQ

⁵⁹ Technograph Printed Circuits, Ltd. v. United States, supra note 49, 2

^{60 226} F.2d 949, 107 USPQ 195 (7th Cir., 1955)

of lt has been estimated that the minimum cost of conducting a patent infringement suit is about \$50,000 for each side. Gorn, "Economic Value of Patents," The Encyclopedia of Patent Practice and Invention Managecost of conducting a patent de. Gorn, "Economic Value

plurality of days in court as Aghnides is entitled to under existing law. The remedy is not in our hands. The Congress by legisparticularly abhorrent when considered against the backlog of untried cases which clog our Federal Courts. The latter are upon which he lost in the Goodrie case. . . He . . . may litigate and relitigate again and again the questions of validity of his cases where the litigant asks only for his day in court, not for a patent as long as he selects a different defendant in each of the to another day in court where he might litigate the same issues lation could grant relief. infringement suits which he files. . . It is a situation which is I believe . . . he (the patentee) is entitled under existing law

not have to litigate the validity of his patent all over nation of the validity of the patent. A patentee should and same contentions in court after court, in the determipatent, there is a shocking waste of time and effort in ent circuit. again each time he sues a different infringer in a differin order to have a reconsideration of the same references Because the patentee is able to constantly relitigate his

vention the patentee can prove, nor what date of invencause the infringer is never quite sure what date of inexpensive to determine validity under present law beinfringer to unusually high litigation costs.62 tion can be proved for some reference art. Courts, but it may also unjustly subject a defendantute to a heavy backlog of cases in the Federal District Not only does the patentee's right to relitigate contrib-It is quite

it seems quite illogical how there could be more than one suits are filed against infringers, all in different circuits, is the same in every case, and the defendant has access conclusion on the question of validity, because the patent tainty as to a ruling on validity. For example, where ally relitigate his patent in various circuits is the uncer-Another factor which causes the patentee to continu-

invalid, with one exception. 64 judge in the same district has found every patent to be held patents valid over a period of years while another held valid. Some judges are noted to have consistently some circuits which have a high percentage of patents circuits where no patents are upheld in contrast with conflicts in statutory interpretations, there are some Grace Manufacturing Company et al.88 judicial conflict can be seen in Bros Incorporated v. W. E. to the same prior art in each case. An example of such Despite possible

our rejection of the doctrine. estoppel doctrine. The above considerations warrant abandonment of a strict adherence to the mutuality of tainty, and the great expense, would necessitate our An attempt to alleviate the problems of delay, uncer-

toppel).65 validity should be in rem (i.e., a theory of unilateral es There have been proposals made that a holding of in Proponents of in rem invalidity maintain that:

should have an opportunity to re-try the issue just because he can find and pursue a different infringer. That he could get a better no sufficient reason. . . expert or a better lawyer or a different Judge the second time after a patent owner has had full opportunity to say everything he could say in support of his patent, there is no reason why he

infringer would be subject to the patent and also be in competi Besides, if the second case should uphold the patent, the second

⁶² Supra note 58. In this case, no less than ten prior decisions are tabulated which has occupied the attention of no less than twenty-five Judges in the Fifth, Sixth, and Eighth Circuits. Such judicial conflict may be attributed to differing judicial interpretations, for example, what is public use under 35 U.S.C. 102(b)? Compare Picard v. United Aircraft, 128, F2d 632, 635, (2nd Cir., 1942) with Gayler v. Wilder, 51 U.S.

percent of the patent cases tried in his court over a period of ten years. During an equal period, the federal court in New Jersey has held patents invalid in 85 percent of the cases tried. Such figures as these indicate the substantial difference in attitudes of the courts. "An Analysis of Patent Litigation Statistics," Staff Report of the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, U.S. Senate (Gov't Printing Office, 1961).

64 Section 294 of S. 1042, 90th Cong. 1st Sess. (1967), provides that any final adjudication in a Federal Court adverse to the validity or scope of a patent claim constitutes an estoppel against the patentee and those in privity with him. Any claim held invalid would be cancelled from the patent. See also Proposal XXIII, Report of the President's Commission on the Patent System.

⁸⁶ Report of Meeting of Council and Committee Chairmen, Woodward, Section of Patent, Trademark, and Copyright Law, American Bar Association, Feb 4-5, 966. See also, President Commission Report, at 39; Wright, U. S. Patent System and the Judiciary, 47 J.P.O.S. 721.

tion with the first infringer who can legally disregard the pat-

ing service of process.69 of the class action concept 68 as well as the rules governbe effective, such a proposal would require an extension such a determination would be conclusive against all. To commencing of an infringement suit, so anyone can come in and contest the validity of the patent.67 The effect of rem determination on validity six months prior to the patentee be required to give public notice of a fully in minishing the ability of the patent system to furnish an sided and works only against the patent owner, thus di-It has been suggested that the above proposal is one-To avoid this, it has been suggested that the

various Federal Courts of Appeal and the opinions of particular judges in selecting the judicial district which to the various technologies 70 would be harsh and unjust to the patentee. Furthermore, in rem validity would encourage a more intensified forum shopping 71 which would be most favorable to commence an action (i.e., for would take the form of studying the decisions of the ment). patent infringement or an action for declaratory judg a judge is totally unfamiliar with the protection of intelof invalidity by a state court, or in a federal court where has consistently been held valid, a subsequent holding provides for many evils. For example, where a patent lectual property, and the application of the patent laws In rem validity, in whatever form it may exist, still

the duration and cost of litigation, (2) it would lessen the volume of litigation, (3) it would enable uniform interpretation of the law, (4) the judges for this court throughout the United States.75 est of the public because the court's decision is effective would be specialists in the application of patent law, proposal.74 Some of these are: (1) it would reduce Many reasons have been set forth in support of such a and the Court of Appeal for the District of Columbia.73 the appellate jurisdiction (involving issues of patent infringement), as well as the jurisdiction in the CCPA of a panel of qualified patent judges, and transfer to it ized, Article III, Court of Patent Appeals,72 consisting Patent Appeals, suggests the establishment of a special-(5) greater certainty as to rights of inventors and inter-Judge Arthur M. Smith, of the Court of Customs and

patent law into its own peculiar lines divorced from the development of the law as a whole." This would be penses.76 Such a court would also tend to channelize the pense on litigants because of the great traveling exthat such a court would place an undue burden of exbeen the subject of much criticism. It has been argued The proposal for a court of patent appeals has also

mark, and Copyright Law, Section XXIII (1967).

88 Fed. R. Civ. P. 69.

98 Fed. R. Civ. P. 69.

10 See Soans, "The Courts—Our Number One Problem" 9 Idea 639 (1966). This short article discusses the reason why judges have acquired a negative attitude toward patents.

11 It would be to the patentee's advantage to commence a patent infringement suit in a circuit and district which appear to be favorable to patents. The patentee's choice of forum is limited under the special venue statute [28 U.S.C. 1400(b)] to the district of the defendant's residence or incorporation or to any district where the defendant has committeed an act of infringement and maintains a regular and established place of business. The potential defendant has a much wider choice of forum under 28 U.S.C.

^{1391.} Thus a party threatened with an infringement sent by a corporation will frequently commence an action for declaratory judgment of invalidity and noninfringement in a circuit and district regarded as hostile toward

patents. The For a history of the bills presented to Congress to establish a court of patent appeals, see Conway, Single Court of Patent Appeals—A Legislative History, Report of the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, U.S. Senate (Gov't. Printing Office, 1959).

The See Chapter 13, 35 U.S.C. (1964). See also Conway, op. cit. supra note

<sup>72.
73</sup> Conway, supra note 72, at 32-33.
74 Conway, supra note 72, at 32-33.
75 See also, Reynolds, In Favor of a Single Court of Patent Appeals, 13 IPOS 596 (1931), Rice, A Court of Patent Appeals, 17 J.P.O.S. 18 (1935); Brown, The Situation Confronting Our Patent System, 31 J.P.O.S. 159, 180 (1939); Zugelter, Suggestions for Some Improvement in our Patent System, 23 IPOS 62 (1941); Woodward, Patents and Administrative Law, 55 Harv. Rev. 950, 960 (1942).
76 See Metroni, Comments and Observation Concerning Recommendations in Report of the National Patent Planning Commission, 26 JPOS 117, 125 (1944); Lane, Why a Single Court of Patent Appeals is not Necessary, 13 J.P.O.S. 569 (1931).
77 "I think it might be desirable to have one court of patent appeals provided, with this proviso, and I for myself would regard it as absolutely

court especially where some of these questions are conseem unsound to channel all these questions to a single best be handled by a nonspecialized judiciary.80 run counter to the belief that patent controversies may trolled by local law. 79 In addition, such a proposal may of the law such as unfair competition, antitrust law, patent cases frequently involve questions of other areas patent litigation follows the rules of evidence, etc. 78 Also, patent rights are a species of property rights, proof in tially contracts, an infringement is essentially a trespass, trademarks, copyrights, and contract law. It would most unhealthy because license agreements are essen

field and its problems.81 assisted by those who know something of the patent law so that the other members of the bench can be guided and courts and courts of appeals throughout the ten circuits, ment of specialized judges to the various federal district It has been suggested by Judge Smith that the appoint-

by Judge Learned Hand: 82 The need for such specialists was recognized long ago

any knowledge of even the rudiments of chemistry to pass on such questions as these. . . . In Germany . . . the court summons technical judges to whom technical questions are submitted and I cannot stop without calling attention to the extraordinary

critical, that is, that it should be a rotating court. I do not want to have a court of specialists, because we all get in love with ourselves." Parke Davis & Co. v. H. K. Mulford Co., 189 F. 95, 132 (Hand). See also Rifkind, A Special Court for Patent Litigation? The Danger of a Specialized Judiciary, 37 A.B.A. Jour. 425 (1951) wherein the author maintains that "in time such a body of law, secluded from the rest, develops a jargon of its own thought patterns which are unique, internal policies which it subserves and sometimes at odds with the policies pursued by the general

78 Rifkind, supra note 77.

79 See Frost, "The Patent System and the Modern Economy," Report of The Subcommittee on Patents, Trademarks, and Copyrights, of the Committee on the Judiciary, U.S. Senate (Gov't. Printing Office, 1957).

80 Wright, U.S. Patent System and the Judiciary, 47 J.P.O.S. 727, at 732

91 Smith, "Specialized Patent Judges, American Bar Association, Section of Patent, Trademark and Copyright law, at 84 (1966). See also, American Patent Law Association, Report of the Special Committee to Study the Patent System, at 12 (1966).

82 Parke Davis & Co. v. H. K. Mulford Co., supra note 77, at 115.

H. K. Mulford Co., supra note 77, at 115

groping among testimony upon matters wholly out of their ken who can intelligently pass upon the issues without blindly

claims of a chemical invention. only have a minority voice. Furthermore, the expert will not be an expert in all technical areas. If the judge ", patent member" of a court of appeals panel would scheme are two-fold. he may be of little help in the understanding of the interpreting the claims of a mechanical case. However, is a mechanical engineer, he might be very helpful in tend to dominate patent decisions even though he may because of the ordinary judge's lack of knowledge of ticular technology. The main disadvantages of such a patent law, but rather because of his specialty in a parpointment of specialized judges to the bench. It is not This proposal overlooks the reason for such an ap-There is always the risk that the

son. The effect of such a decision would be in rem. 81 executive branch of the judicial branch in an adversary separate determination of validity of a patent by a trisistants be assigned to the various federal courts, 83 proceeding instituted by the patentee or any other perbunal of technically qualified patent specialists in the of much discussion and debate include: (a) technical as-Among other proposals which have been the subject 3

alternative proposal should be made. ent litigation. However, the proposals discussed above patent system as a whole. It is felt, therefore, that an will have other harmful effects on the judiciary and the litigation, and the great uncertainty associated with patproblems of litigation costs, repetitive nature of patent The above proposals will help reduce, to an extent, the

are held invalid by a court of competent jurisdiction, the patentee may either disclaim the invalid claims [i.e. by It is hereby proposed that where a patentee's claims

⁸⁸ Whinery, The Role of the Court Expert in Patent Litigation, Study of the Subcommittee on Patent Trademarks, and Copyrights of the Committee on the Judkiary, U.S. Senate (Gov't. Printing Office, 1958). A study of the function of a neutral expert in patent litigation is presented in great depth.

84 Section of Patent, Trademark, and Copyright Law, American Bar Association (1966) at page 46.

reasonable attorney's fees.86 circumstances, for both litigation costs,85 as well as time. In the event the claims are again held invalid, proceed against another infringer within a reasonable the plaintiff will be held liable, except under exceptional terminal disclaimer, 25 U.S.C. §253 (1964)] or he may

a limited basis, where there has been a gross injustice to may award reasonable attorney's fees to the prevailing shown.89 should be invoked when, and only when, such is clearly an alleged infringer.88 One of the objects of the proposal party.87 This statute has been employed by courts, on the present statute where "the court in exceptional cases is to discourage vexatious and unjustified litigation and This provision would constitute a logical extension of

rights contrary to public interest.90 velopments which preclude a patentee from asserting his proposal is entirely consistent with recent judicial depolicy against permitting recovery of attorney's fees as the ordinary thing in patent suits. Furthermore, the The proposal will be consistent with past legislative

merely raise a presumption that the patentee's conduct The legal effect of such a statutory provision would

(4) rees in the case for use in the case (5) docket fees 1923 of title 28
(5) docket fees 1923 of title 28
see Tidewater v. Kitchen, 152 U.S.P.Q. 36 (4th Cir., 1967) when a similar application of the proposal is considered.
see See Tidewater v. Kitchen, 152 U.S.P.Q. 36 (4th Cir., 1967) when a similar application of the proposal is considered.
see See Tidewater v. Kitchen, 152 U.S.C. \$285 (1964) (Emphasis added).
see Fees have been awarded where the conduct of the party is characterized as unfair or vexatious or involving bad faith or some other equitable consideration which makes it unjust that prevailing party should be left to bear the burden of his counsel fees. See Plymouth Rubler Co. v. Minnesota Mining & Mfg. Co., 133 U.S.P.Q. 173, 177 (D. Mass. 1962).
see It is not contemplated that the recovery of attorney's fees will become an ordinary thing in patent suits,.... The provision is also made general so as to enable the court to prevent a gross injustice to an alleged infringer."
1946 U.S. Code Congressional Service, 1386, 1387.
see See e.g., Mercoid Corp. v. Mid-Continent Inv. Co., 320 U.S. 661 (1944); Edward Katzinger Co. v. Chicago Metallic Mfg. Co., 329 U.S. 394 (1947);

judicial machinery to handle the great backlog of cases litigation costs, in addition to the great burden on the to be subject to repetitious patent suits, and unnecessary present law is changed, patent litigation will continue now because the fact remains that unless, and until, the were to be adopted. It is essential that Congress act that would arise if any of the above discussed proposals Such a provision would also materially reduce the evils utes to the great backlog of patent infringement suits sion is to discourage one from continually relitigating his patent rights against alleged infringers which contribto destroy the presumption. The net effect of this provithe good faith of this action against the infringer in order just. The patentee would then have the burden to show in commencing the action against the infringer is un

as 28 U.S.C. 1920 provides for items comprising costs. A judge or clerk of any court of the United States may tax as costs the following:

(1) fees of the clerk and marshall
(2) fees of court reporters for all or any part of the stenographic transcript necessarily obtained for use in the case
(3) fees and disbursements for printing and witnesses
(4) fees for exemplification and copies of paper necessarily obtained

(Cite as: 57 C.C.P.A. 1023, 424 F.2d 1088)

C

United States Court of Customs and Patent Appeals.

Application of Wilhelm AHLERT and Ernst Kruger.

Patent Appeal No. 8232.

April 30, 1970.

Proceeding in matter of application for patent. The Patent Office Board of Appeals, serial No. 426,838, affirmed decision of examiner rejecting all involved claims as unpatentable over prior art, and applicant appealed. The Court of Customs and Patent Appeals, Baldwin, J., held that method and apparatus claims of application for patent involving method and apparatus for heat treatment of rail welds were properly rejected on grounds of obviousness.

Affirmed.

Rich, Acting C.J., concurs in result.

West Headnotes

[1] Patents 113(6)

291k113(6) Most Cited Cases

Rule that patent office appellate tribunals, where it is found necessary, may take notice of facts beyond record which, while not generally notorious, are capable of such instant and unquestionable demonstration as to defy dispute will always be narrowly construed by Court of Custom and Patent Appeals with regard to facts found in such manner with eye toward narrowing scope of any conclusions to be drawn therefrom. Patent Office Practice Rules, rule 196(b), 35 U.S.C.A. App.

[2] Patents €=97

291k97 Most Cited Cases

Assertion of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in pertinent art and applicant must be given, in patent office, opportunity to challenge correctness of assertion or notoriety or repute of cited reference. Patent Office Practice Rules, rule 196(b), 35 U.S.C.A. App.

[3] Patents 6-97

291k97 Most Cited Cases

Allegations concerning specific knowledge of prior art, which might be peculiar to particular art, should be supported and applicant should be given, in patent-office, opportunity to challenge correctness of assertion or notoriety or repute of cited reference. Patent Office Practice

Rules, rule 196(b), 35 U.S.C.A. App.

[4] Patents =113(1)

291k113(1) Most Cited Cases

Where patent applicant has failed to challenge fact judicially noticed by patent office, and it is clear that he has been amply appraised of such finding so as to have opportunity to make challenges as to correctness of assertion or notoriety or repute of cited reference, Board's finding will be considered conclusive by Court of Custom and Patent Appeals. Patent Office Practice Rules, rule 196(b), 35 U.S.C.A. App.

[5] Patents €-97

291k97 Most Cited Cases

Procedural aspects of judicial notice respecting opportunity to challenge correctness of assertion or notoriety or repute of cited reference are designed with purpose of fully utilizing independent and specialized technical expertise of patent office examiners while balancing applicant's rights to fair notice and opportunity to be heard, and equally important is question of what role facts so found may play in evidentiary scheme upon which rejection of claims is based. Patent Office Practice Rules, rule 196(b), 35 U.S.C.A. App.

[6] Patents **£**=113(6)

291k113(6) Most Cited Cases

In considering propriety of new facts judicially noticed amounting to new ground for rejection, Court of Custom and Patent Appeals would take judicial notice that it is not uncommon for Patent Office Board of Appeals itself to cite new references, in which case new ground of rejection is always stated. Patent Office Practice Rules, rule 196(b), 35 U.S.C.A. App.

[7] Patents 113(6)

291k113(6) Most Cited Cases

Regardless of whether Patent Office Board of Appeals actually invoked rule governing decision by Board of Appeals and providing for grounds not involved in appeal, where grounds for rejection were adequately clear and it was not evident that applicants had been denied any procedural rights accorded them by rule and applicants raised no issue as to new grounds, rejections would be treated by Court of Customs and Patent Appeals as having been made by Board of Appeals. Patent Office Practice Rules, rule 196(b), 35 U.S.C.A. App.

[8] Patents €=16.4

291k16.4 Most Cited Cases (Formerly 291k18)

424 F.2d 1088 165 U.S.P.Q. 418

(Cite as: 57 C.C.P.A. 1023, 424 F.2d 1088)

Method and apparatus claims of application for patent involving method and apparatus for heat treatment of rail welds were properly rejected on grounds of obviousness. 35 U.S.C.A. § 103.

Patents €=328(2)

291k328(2) Most Cited Cases

2,882,191, 3,074,704. Cited as reference.
**1089 *1023 Bryan & Butrum, Roy W. Butrum, James E. Bryan, Washington, D.C., attorneys of record, for appellants.

Joseph Schimmel, Washington, D.C., for the Commissioner of Patents. Jack E. Armore, Washington, D.C., of counsel.

*1024 Before RICH, Acting Chief Judge, ALMOND, BALDWIN, and LANE, Judges, and RAO, Chief Judge, United States Customs Court, sitting by designation.

BALDWIN, Judge.

This appeal is from the decision of the Patent Office Board of Appeals which affirmed the rejection of all claims in appellants' application [FN1] as unpatentable under 35 U.S.C. § 103.

FN1. Serial No. 426,838, filed January 21, 1965, entitled 'Method and Apparatus for the Heat Treatment of Rail Welds.'

THE INVENTION

The application discloses a technique for controlling the rate of cooling of a weld between two sections of railroad rail and the apparatus for accomplishing the method 'without creating any disturbance in the railroad traffic' and 'independently of the prevailing weather conditions.' The controlled heat treatment provided is alleged to result in a tough, crack-free weld having reduced internal stresses.

Claims 1-6 are directed to the method, claim 1 being representative:

1. A method for the heat treatment of a rail weld while the rail is in service which comprises directing at least one flame toward each side of the rail over at least a portion of a zone between the rail foot and the rail head only, and adjusting the intensity of the flames and the burning time thereof in accordance with the heat treatment desired.

A preferred embodiment of the apparatus designed to carry out the disclosed technique is shown in the application drawing, figure 3 of which is reproduced below for illustration:

(FIGURE OMITTED)

**1090 The view is of a cross-section through the apparatus and a rail. As described by appellants (with numbering and explanation added by us for convenience), the apparatus

*1025 includes a profile-free hood (2) which may be in two or more parts and which encloses the rail foot or base and the rail web (the central portion, between the rail foot or base and the top or head) to a point below the rail head, and which also encloses the rail over a portion of the length thereof. One or more burners (3) are mounted in the hood on each side of the rail.

The apparatus advantageously includes a removable head cover or hood (7) which envelops the rail head and extends over a portion of the length thereof. * * * Warm air and gases rising from the heating chamber are absorbed by the hood, guided around the rail head, and laterally discharged after giving off their heat.

Claims 7-11 are the apparatus claims, the broadest of which, claim 7 states:

7. An apparatus for use in the heat treatment of a rail weld which comprises a hood adapted to enclose only the foot and web of a rail, and at least one burner mounted in the hood on each side of the rail.

Claim 9 provides that the hood be made in two parts, and claim 8 includes the removable cover. Claims 10 and 11 recite means for adjusting the burning time and intensity of the flames emitted by the burners.

THE REJECTION

The examiner finally rejected all of the claims as unpatentable under 35 USC 103 over a patent to Ronay. [FN2] This reference discloses a portable furnace, made in sections in order to fully enclose two members ('such as pipe, tubing, bars, rails, etc.') to be butt welded together while providing the heat necessary for welding. The heating element, or muffle, of the furnace is made of combustible material. The supply of gases to the muffle may be controlled in order to regulate the rate of combustion and, thereby, the intensity of the heat and the burning time. It was considered to be obvious 'in using the apparatus of Ronay' to enclose and heat only portions of the work piece. In the examiner's Answer, reference was made to a patent to Van Swaal, [FN3] which discloses apparatus, in a shape similar to appellant's head cover, with flame providing means attached thereto for flame treating rail heads in order to harden the rail surface. The reference was cited as an 'example of heating only a portion of a rail'.

FN2. U.S. Patent 3,074,704, issued January 22,

424 F.2d 1088 165 U.S.P.Q. 418

(Cite as: 57 C.C.P.A. 1023, 424 F.2d 1088)

1963.

FN3. U.S. Patent 2,882,191, issued April 14, 1959.

The board found 'no reversible error in the conclusion of the examiner that the claims are unpatentable over the references.' However, in doing so, it was found necessary to elevate Van Swaal to the status of a reference fully relied upon to support the rejection and to take 'judicial notice' of certain additional facts. Breaking the claimed method down into separate elements, the board first took judicial notice of the fact 'that it is common practice to postheat a weld after the welding *1026 operation is completed' and held that 'to apply the heat to heat treat a weld does not distinguish patentably over Ronay, who applies heat to weld the parts together' or Van Swaal, who 'shows applying heat to a rail to heat treat the rail.' It was further stated 'that since Van Swaal shows directing the heat over a particular portion of a rail, it would be obvious to one skilled in the art to direct the flame over any desired portion of a rail.' Finally, judicial notice was taken 'of the fact that it is old to adjust intensity of a flame in accordance with the heat requirements.'

With regard to the apparatus claims, the board relied on Van Swaal in deciding that 'to enclose a particular part of a rail and to direct heat thereto is without patentable significance.' Further **1091 noting that the 'removable cover' limitation of claim 8 was 'without patentable significance' and taking judicial notice of 'the fact that it is common practice to provide a weld with a cover during postheating,' and incorporating 'reasons pointed out in connection with claim 1,' the board sustained the rejection of the claims drawn to the apparatus.

OPINION

Appellants' first argument on appeal emphasizes 'two basic concepts of the present invention,' the first being that the claimed invention 'relates to an arrangement wherein the rails of a railway way track are treated while in service,' the second being 'that only the zone between the rail foot and the rail head is heat treated' (emphasis appellants'). It is urged that none of the references relied upon shows or suggests these two 'fundamental features.'

Appellant also contests the conclusions drawn by the Board of Appeals from the facts judicially noticed and, in addition, attacks the propriety of the board's taking such judicial notice, urging that the facts are 'not so notorious and well known that any court would be justified in taking judicial notice thereof.'

The solicitor counters appellants' first argument by maintaining that the first concept was, in fact, considered when it was held obvious by the examiner, albeit without specific support 'to heat a rail while in service by merely enclosing a portion of the rail that has no vehicle thereon' He alternatively asserts that, given the knowledge judicially noticed by the board,

that 'rail blankets' may be employed to provide a cover when postheating welds * * *, it would require no stretch of imagination beyond the skill of the art to permit the passage of trains thereover with damage limited only to the cover * * *

The second concept, the solicitor urges, which calls for the selective heating of only the rail web, is neither expressly disclosed nor found *1027 as a specific limitation in the claims. We are inclined to agree that appellants' arguments in this regard are not convincing of reversible error below.

[1][2][3][4] With regard to the attack on the 'judicial notice' by the board we must also agree with the solicitor's assertion that there is no real dispute as to the facts of which the board took notice. As to the propriety of the board's taking such notice at all, this court has already previously determined that the Patent Office appellate tribunals, where it is found necessary, may take notice of facts beyond the record which, while not generally notorious, are capable of such instant and unquestionable demonstration as to defy dispute. In re Knapp Monarch Co., 296 F.2d 230, 49 CCPA 779 (1961). This rule is not, however, as broad as it first might appear, and this court will always construe it narrowly and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. Cf. In re Cofer, 354 F.2d 664, 53 CCPA 830 (1966); In re Borst, 345 F.2d 851, 52 CCPA 1398 (1965). Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge. See In re Spormann, 363 F.2d 444, 53 CCPA 1375 (1966). Where the appellant has failed to challenge a fact judicially noticed and it is clear that he has been amply apprised of such finding so as to have the opportunity to make such challenge, the board's finding will be considered conclusive by this court. **1092In re Perkins, 346 F.2d 981, 52 CCPA 1501 (1965); In re Knapp Monarch Co., supra.

[5] These aspects of judicial notice are primarily procedural, however, designed with the purpose in mind of fully utilizing the independent and specialized technical expertise of the Patent Office examiners while balancing the applicant's rights to fair notice and an opportunity to be heard. Equally important is the question of what role the

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facts so found may play in the evidentiary scheme upon which a rejection of claims is based. Typically, it is found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain a particular inference to be drawn from the reference teaching. The facts so noticed serve to 'fill in the gaps' which might exist in the evidentiary showing made by the examiner to support a particular ground for rejection. We know *1028 of no case in which facts judicially noticed comprised the principal evidence upon which a rejection was based or were of such importance as to constitute a new ground of rejection when combined with the other evidence previously used.

[6] Looking at the facts of this case, we are constrained to hold that the manner in which the board treated the claims, combining the disclosures of the references with the new facts judicially noticed, amounted to a new ground of rejection. We consider the use of the Welding Handbook and the facts taken from it to have been in clear contravention of both the letter and the spirit of Patent Office Rule 196. [FN4] Calling the facts 'judicially noticed' does not change their effect.

FN4. The pertinent part of Rule 196 is section (b) which reads:

(b) Should the Board of Appeals have knowledge of any grounds not involved in the appeal for rejecting any appealed claim, it may include in its decision a statement to that effect with its reasons for so holding, which statement shall constitute a rejection of the claims. The appellant may submit an appropriate amendment of the claims so rejected or a showing of facts, or both, and have the matter reconsidered by the primary examiner. The statement shall be binding upon the primary examiner unless an amendment or showing of facts not previously of record be made which, in the opinion of the primary examiner, avoids the additional ground for rejection stated in the decision. The applicant may waive such reconsideration before the primary examiner and have the case reconsidered by the Board of Appeals upon the same record before them. Where request for such reconsideration is made the Board of Appeals shall, if necessary, render a new decision which shall include all grounds upon which a patent is refused. The applicant may waive reconsideration by the Board of Appeals and treat the decision, including the added grounds for rejection given by the Board of Appeals, as a final decision in the case.

We here take judicial notice that it is not uncommon for the board itself to cite new references, in which case a new ground of rejection is always stated.

[7] Nevertheless, regardless of whether the board actually invoked the rule or not, or that the rejection is stated in somewhat archaic language, the grounds for rejection are adequately clear. It is also not evident that appellants have been denied any of the procedural rights accorded them by Rule 196(b). Compare In re Hughes, 345 F.2d 184, 52 CCPA 1355 (1965). Therefore, since appellants have raised no issue as to this point, we will treat the rejections as we consider them to have been made by the board. In re Miller, 329 F.2d 1015, 51 CCPA 1135 (1964).

[8] As far as the method claims are concerned, we are satisfied that the board's rejection is sustainable. Considering the recited method in its entirety, we find no reason to disagree with the conclusion that what is claimed would be obvious in view of the prior art of record including the Handbook pages cited by the board. While it does not immediately follow that because the method is obvious, a particular means for carrying out that method is also obvious, we must conclude that, in this case, the same reasoning and references **1093 which were employed to show the method to be obvious were also properly used to reject the apparatus claims. The decision of the Board of Appeals is affirmed.

*1023 Affirmed.

*1028 RICH, Acting C.J., concurs in the result.

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END OF DOCUMENT

Blonder-Tongue, Inc. v. University of Illinois Foundation

e any probative evidence in its behalf) take any testimony or to otherwise along with its pleadings in accordance ile 2.122(b) of the Trademark Rules ip of a registration as a basis for its reover, although petitioner pleaded imony during its scheduled trial perias not proved its case. the course of this proceeding, petiice. It is clear therefore that in having damage, it did not furnish two copies ion for petitioner's failure to take

spondent's motion under Rule 2. 132(a) ted and the petition for cancelation is ed.

tent Office Trademark Trial and **Appeal Board**

e Gordon Jewelry Corporation Decided Feb. 26, 1971

EMARKS

ntity and similarity — Words imilar (§67.4117) 1

applied to watches, "Guildcrest" iles "Guildcraft" that confusion is OS

; Fox, KINTNER, PLOTKIN & KAHN, shington, D. C., for applicant.

iz, Members) holding that, as applied tches, applicant's "Guildcrest" so respriof registrant's "Guildcraft" that by the Board to appear in digest form Application for registration of trade-of Gordon Jewelry Corporation, Serial 34,915. Decision of Examiner of Tradeitor's Note: This decision was desigrefusing registration affirmed by de-(LEACH, WALDSTREICHER, and LEF-

Patent Office Trademark Trial and Appeal Board

ALOE CREME LABORATORIES, INC. V. AMERICAN ALOE CORPORATION Decided Mar. 13, 1971

JAMES R. McKNIGHT, Chicago, Ill., for Aloe HORST H. WERDER, DAVID R. MACDONALD, Creme Laboratories, Inc. American Aloe Corporation. and Walter A. Slowinski and John J. Byrne, both of Washington, D. C., for JAMES G. BARNES, all of Chicago, Ill.,

sion between the involved marks (applicant's "Tropicaloe" for tanning lotion and lipsticks, and opposer's "Alo-Face," "Alo-Hands," "Alo-Plus," "Alo-Cosmetics," and "Trav-No" for face cream) had been determined by the decision of the Court of Appeals for the Seventh Circuit (164 USPQ 266).

See also 159 USPQ 560, 165 USPQ 609, 167 USPQ 257. nated by the Board to appear in digest form only.] Trademark opposition No. 46,855 by Aloe Creme Laboratories, Inc., against American Aloe Corporation, application, Serial No. 232,503, filed Nov. 12, 1965, and cancellation No. 8,798 by Aloe Creme Laboratorial No. 8,798 by Aloe Creme Laboratorial No. 12, 1965, and cancellation No. 12, 1965, and cancellation No. 12, 1985, and Creme Laboratorial No. 12, 1985, and Cancellation No. 12, 4, 1966. Opposition and cancellation petition dismissed by decision (Leach, Waldstreicher, and Shryock, Members) holding that the question of likelihood of confunction of the confuncti ratories, Inc., against American Aloe Corporation, Registration No. 816,413, issued Oct. Editor's Note: This decision was desig

Supreme Court of the United States

BLONDER-TONGUE LABORATORIES, INC. V. University of Illinois Foundation et al

Decided May 3, 1971

PATENTS

1. Patentability - In general (§51.01)

Congress has chosen to impose broad cri-teria of patentability while lodging in federal courts final authority to decide that question.

2. Prior adjudication — Infringement suits (\$56.15)

to litigate, employment of standards announced in Graham v. Deere, 383 U.S. 1, 148 USPQ 459, grasp by court of subject matter and issues, and whether without fault of his own the patentee was deprived of crucial evidence or witnesses; in the end, decision will necessarily rest on trial court's pursue his claim the first time; in determining whether patentee had a full and fair chance to litigate validity of patent, factors considered include choice of forum, incentive sense of justice and equity. that he did not have a fair opportunity pro-cedurally, substantively, and evidentially to suit as the identical question finally decided against patentee or one of his privies in previous litigation; rather, patentee-plaintiff must be permitted to demonstrate, if he can, pel by infringement or royalty suit defendant must automatically be accepted once defendant in support of his plea identifies issue in Court does not suggest that plea of estop-

3. Patent grant - Nature of patent rights — In general (§50.201)

views patent as a monopoly which, although sanctioned by law, has economic consequensirable stimulus to invention, Court also ces attending other monopolies. Although recognizing patent system's de-

4. Estoppel - As to validity - Licensor or licensee (§35.156)

may be urged when patentee-licensor sues for unpaid royalties; nevertheless, if claims are invalid and are identical to those invalicense, pay royalties for a time, and cease paying when financially able to litigate validity, secure in the knowledge that invalidity any royalties actually paid are an unjust in dated in previous suit against another party 1, permits accused infringer to accept a licrement to alleged infringer's costs. Lear v. Adkins, 395 U.S. 653, 162 USPQ

5. Defenses — In general (§30.01)

entable or that is beyond scope of patent moassertion of defenses and thus allowed to exact royalties for use of idea that is not patnopoly granted. Patent holder should not be insulated from

6. Prior adjudication suits (§56.15) Infringement

against different defendant, is partially over-ruled to permit alleged infringer to plead es-toppel, with patentee having the right to present evidence showing that it would be unfair to sustain plea. against patentee in subsequent litigation Triplett v. Lowell, 297 U.S. 638, 29 USPQ 1, holding that a determination of patent invalidity is not res judicata as

Particular patents—Antenna

Unidirectional Antennas, judgment of validity vacated. 3,210,767, Isbell, Frequency Independent

On writ of certiorari to Court of Appeals for the Seventh Circuit; 164 USPO 545.
Action by University of Illinois Foundation

against Blonder-Tongue Laboratories, Inc., for patent infringement in which defendant counterclaims against plaintiff and JFD Electronics Corporation for unfair competition, violation of antitrust laws, and patent infringement. On writ of certiorari to review judgment holding valid and infringed Patent No. 3,210,767. Judgment vacated.
See also 167 USPQ 321.

ROBERT H. RINES, BOSTON, Mass. (DAVID RINES and RINES & RINES, both of BOSTON, Mass., RICHARD S. PHILLIPS and HOF-GREN, WEGNER, ALLEN, STELLMAN & SHAPIRO, and SHAPIRO & SHAPIRO, all of Washington, D. C., on the brief) for peti-GREN, WEGNER, ALLEN, STELLMAN & McCord, both of Chicago, Ill., and Paul J. Foley, Belen & Foley, Nelson H.

WILLIAM A. MARSHALL (CHARLES J. MER-RIAM, BASIL P. MANN, MICHAEL P. BUCK-LO, and MERRIAM, MARSHALL, SHAPIRO & KLOSE on the brief) all of Chicago, Ill., for University of Illinois Foundation

M. BERLINER, ROBERT C. FABER, and OSTROLENK, FABER, GERB & SOFFEN, all of New York, N. Y., and Myron C. Cass and Silverman & Cass, both of Chicago, Ill., on the brief) for JFD Electronics Cor-

RICHARD W. McLaren (Erwin N. Griswold, L. Patrick Gray III, Peter L.

JSS, HOWARD E. SHAPIRO, and TER H. Fleischer on the brief) for d States, amicus curiae.

JIEL R. French, Dayton, Ohio,

d States, amicus curiae.

IIEL R. FRENCH, Dayton, Ohio,
L.D R. DUNNER, IRVING KAYTON, and
ROWN MORTON, JR., all of WashingC., and JAMES B. GAMBRELL, New
N. Y., for American Patent Law
iation, amicus curiae.

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F. McNenny, John F. Pearne & McNenny, Farrington, Pearne & McNenny, Farrington, Pohio, and ther E. Wyss and Mason, Kolehsin, Rathburn & Wyss, both of Chill., for Finney Co., amicus curiae.

JRE W. Anderson, Harry J. Ropard Pendleton, Neuman, Williams ideas ideason, all of Chicago, Ill., for Auto-Electric Co., amicus curiae.

Electric Co., amicus curiae.

B. Brennan, Bennett L. Kight, Butherland, Asbill & Brennan, all lanta, Ga., Richard D. Mason, Chill., and William S. White and re, Kilute & White, both of Niles, ..., for Kawneer Co., Inc., amicus cu-

C. McConnon and Paul & Paul, of Philadelphia, Pa., for Blumcraft of burgh, amicus curiae.

JUSTICE WHITE delivered the opinion ourt.

ondent University of Illinois Foundaereafter Foundation) is the owner by tent of U. S. Patent 3,210,767, issued ght E. Isbell on October 5,1965. The is for "Frequency Independent Uninal Antennas," and Isbell first filed ilication May 3, 1960. The antennas are designed for transmission and on of electromagnetic radio frequency used in many types of communicancluding the broadcasting of radio and on signals.

patent has been much litigated since it anted, primarily because it claims a uality television antenna for color reliable. The first infringement suit brought Foundation was filed in the Southern to flowa against the Winegard Comman antenna manufacturer. Trial was to urt, and after pursuing the inquiry ted by Graham v. John Deere Co., 383 l. 17-18, 148 USPQ 459, 466-467 Chief Judge Stephenson held the

e Foundation has filed six infringement acised on the Isbell patent. Respondent Founs Brief, p. 22.

: Foundation claimed that all of the Isbell s 15 claims except numbers 6, 7, and 8 were and by one or more of Winegard's 22 antennatesigned for receiving television signals.

patent invalid since "it would have been obvious to one ordinarily skilled in the art and wishing to design a frequency independent unidirectional antenna to combine these three old elements, all suggested by the prior art references previously discussed." University of Illinois Foundation v. Winegard Co., 271 F.Supp. 412, 419, 155 USPQ 58, 64 (SD Iowa 1967) (footnote omitted). Accordingly, he entered judgment for the alleged infringer and against the patentee. On appeal, the Court of Appeals for the Eighth Circuit unanimously affirmed Judge Stephenson. University of Illinois Foundation v. Winegard Co., 402 F.2d 125, 159 USPQ 129 (CA8 1968). We denied the patentee's petition for certiorari. 394 U.S. 917, 161 USPQ 832 (1969).

In March 1966, well before Judge Stephenson had ruled in the Winegard case, the Foundation also filed suit in the Northern District of Illinois charging a Chicago customer of petitioner Blonder-Tongue Laboratories, Inc. (hereafter B-T), with infringing two patents it owned by assignment: the Isbell patent and U.S. Patent No. Re. 25,740, reissued March 9, 1965, to P. E. Mayes, et al. The Mayes patent was entitled "Log Periodic Backward Wave Antenna Array," and was, as indicated, a reissue of No. 3,108,280, applied for on September 30, 1960. B-T chose to subject itself to the jurisdiction of the court to defend its customer, and it filed an answer and counterclaim against the Foundation and its licensee, respondent JFD Electronics Corporation, charging: (1) that both the Isbell and Mayes patents were invalid; (2) that if those patents were valid, the B-T antennas did not infringe either of them; (3) that the Foundation and JFD had violated the "anti-trust laws of the

The District Judge held:

"Those skilled in the art [of antenna design] at the time of the lsbell application knew (1) the log periodic method of designing frequency independent antennas, (2) that antenna arrays consisting of straight dipoles with progressively varied lengths and spacings exhibit greater broad hand characteristics than those consisting of dipoles of equal length and spacing and, (3) the poles of equal length and spacing and, (3) the poles of equal length and spacing and, (3) the poles of equal length and spacing and, (3) the poles of equal length and spacing and, (3) the poles of equal length and spacing and, (3) the poles of equal length and spacing and, (3) the poles of equal length and spacing and (3) the poles of equal length and spacing and poles of extensions and feeding the array at the end of the smallest element.

"It is the opinion of the Court that it would have been obvious to one ordinarily skilled in the art and wishing to design a frequency independent unidirectional antenna to combine these three old elements, all suggested by the prior art references previously discussed." 271 F. Supp. at 418-419, 155 USPQ at 64.

United States, including the Sherman and Clayton Acts, as amended"; and (5) that certain JFD antenna models infringed B-T's patent No. 3,259,904, "Antenna Having Combined Support and Lead-In," issued July 5, 1966.

Trial was again to the court, and on June 27, 1968, Judge Hoffman held that the Foundation's patents were valid and infringed, dismissed the unfair competition and antitrust charges, and found claim 5 of the B-T patent obvious and invalid. Before discussing the Isbell patent in detail, Judge Hoffman noted that it had been held invalid as obvious by Judge Stephenson in the Winegard litigation. He stated:

"This court is, of course, free to decide the case at bar on the basis of the evidence before it. Triplett v. Lowell, 297 U.S. 638, 642, 29 USPQ 1,3 (1936). Although a patent has been adjudged invalid in another patent infringement action against other defendants, patent owners cannot be deprived of the right to show, if they can, that, as against defendants who have not previously been in court, the patent is valid and infringed." Aghnides v. Holden, 226 F.2d 949, 951, 107 USPQ 195, 197 (7th Cir., 1955). On the basis of the evidence before it, this court disagrees with the conclusion reached in the Winegard case and finds both the Isbell patent and the Mayes et al. patent valid and enforceable patents.

B-T appealed, and the Court of Appeals for the Seventh Circuit affirmed: (1) the findings that the Isbell patent was both valid and infringed by B-T's products; (2) the dismissal of B-T's unfair competition and antitrust counterclaims; and (3) the finding that claim 5 of the B-T patent was obvious. However, the Court of Appeals reversed the judgment insofar as Judge Hoffman had found the Mayes patent valid and enforceable, enjoined infringement thereof, and provided damages for such infringement. University of Illinois Foundation v. Blonder-Tongue Laboratories, Inc., 422 F.2d 769, 164 USPQ 545 (CA7

B-T sought certiorari, assigning the conflict between the Courts of Appeals for the Seventh and Eighth Circuits as to the validity of the Isbell patent as a primary reason for granting the writ. We granted certiorari, 400 U.S. 864, 167 USPQ 321 (1970), and subsequently requested the parties to discuss the following additional issues not raised in the petition for review:

⁴ See Petition for Certiorari, p. 13. The grant of certiorari was not limited to the validity vel non of the Isbell patent.

"1. Should the holding of Triplett v. Lowell, 297 U.S. 638, 29 USPQ 1, that a determination of patent invalidity is not res judicata as against the patentee in subsequent litigation against a different defendant, be adhered to?

"2. If not, does the determination of invalidity in the Winegard litigation bind the respondents in this case?"

. .

In Triplett v. Lowell, this Court held "Neither reason nor authority suc.

"Neither reason nor authority supports the contention that an adjudication adverse to any or all the claims of a patent precludes another suit upon the same claims against a different defendant. While the earlier decision may by comity be given great weight in a later litigation and thus persuade the court to render a like decree, it is not res adjudicata and may not be pleaded as a defense." 297 U.S., at 642, 29 USPQ at 3.

The holding in Triplett has been at least gently criticized by some judges. In its opinion in the instant case, the Court of Appeals for the Seventh Circuit recognized the Triplett rule but nevertheless remarked that it "would seem sound judicial policy that the adjudication of [the question of the Isbell patent's validity] against the Foundation in one action where it was a party would provide a defense in any other action by the Foundation for infringement of the same patent." 422 F.2d, at 772, 164 USPQ at 547.3

3 See also Nickerson v. Kutschera, 419 F. 2d 983, 1944, 164 USPQ 231, 232 (CA3 1969); id., at 984, 1988, 164 USPQ at 232-235 (Hastie, Chief Judge, dissenting); Nickerson v. Kutschera, 309 F. 2d 812, 157 USPQ 225 (CA3 1968); Tidewater Patent Development Co. v. Kitchen, 371 F. 2d 1004, 1006, 125 USPQ 36, 37-38 (CA4 1967); Aghnides v. Holden, 226 F. 2d 949, 951, 107 USPQ 195, 197 (CA 7 1955) (Schnackenberg, J., concurring); Technograph Printed Circuits, Ltd. v. Packard Bell Electronies Corp., 290 F. Supp. 308, 317-319, 159 USPQ 543, 549-551 (CD Cal. 1968) (holding that Triplett did not bar an infringement suit defendant's motion for summary judgment on res judicata grounds because (1) the statements as to mutuality of estoppel were dicta, and (2) the Triplett rule conflicted not only, with more recent precedent in the estoppel area but also with the spirit of certain provisions of the Federal Rules of Civil Procedure, adopted six years after Triplett was decided); Nickerson v. Pep Boys—Manny, Moe & Jack, 247 F. Supp. 221, 148 USPQ 125 (Del. 1965). In the latter case, Judge Steel imposed an estoppel on facts somewhat similar to those before us. He analyzed the cases relied on in Triplett, id., at 221-222, 148 USPQ at 125-126, and conconcluded: "[from the standpoint of the precedents [it cites], ***Triplett v. Lowell does not rest upon

n a month after petitioner B-T filed sition was spelled out in a brief filed the United States, p. 7. The Governrs which would point to an unfair slous result from their allowance." te doctrine of mutuality of estoppel lett was based on uncritical accept ief took the same position, stating ited significantly, and that the time Petitioner, p. 12. The Government, of Triplett be maintained. Petitioner rief here, the Foundation urges that by case basis, giving due weight to appearing as amicus curiae, urges result, we cannot urge the destructo modify Triplett so that "claims long-accepted saleguard for patentin patent cases [are] considered for the expediency of victory." petitioners stand to gain by

between the Court and counsel for

You're not asking for Triplett to be ed?

No, I'm not. I maintain that my here did have a right if there was a e new issue or some other interpreof the [patent] claim or some internon of law in another circuit that's at than this Circuit, he had a right to der Triplett below, in another cir-

this particular case, where we're this substantially the same documentidence, where we were not able to ce [in the Seventh Circuit] even that m of expert testimony that existed Eighth Circuit, we think there may suggested by the Solicitor General, eason for modification of that docusic] in a case like this." Transcript of rgument, pp. 7-8.

t of this change of attitude from the tioner's brief was filed, we consider question of modifying Triplett is before us.⁶

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tt v. Lowell exemplified the judgectrine of mutuality of estoppel, or-

a foundation." Ibid. Cf. Technograph ircuits, Ltd. v. United States, 372 F.2d JSPQ 298 (Ct. Cl. 1967); Agrashell, Inc. I Sirotta Co., 281 F.Supp. 704, 707-708, 1260, 262-263 (ED NY 1968).

uttal, counsel for petitioner made it clear surging a "modification" of Triplett.

Well, has Petitioner finally decided to any request for reconsidering Triplett,

daining that unless both parties (or their privies) in a second action are bound by a

entirely, or in any part? I understood you previously to say you would welcome a modification of it to some extent.

"A. Well, Your Honor, I think that is correct. The question * * * * that was asked of us in our brief by this Court was should Triplett be overruled. That we answered no.

"Now the question is should there be modification. I think in all of law, when somebody is abusing it, " " there are exceptions, and I think the Solicitor [General] is very close to [using] the idea that if in fact this were the same trial and they had the opportunity to present their witnesses before, and they didn't do it, that it seriously ought to be considered whether there ought to be an estoppel in a situation such as this." Transcript of Oral Argument, pp. 64-65.

Rule 23 (1) (c) of the Rules of this Court states that "(plnly the questions set forth in the petition or fairly comprised therein will be considered by the court." While this rule reflects many decisions stating that the Court is not required to decide questions not raised in a petition for certiorari, it does not limit our power to decide important questions raised by the parties. The rule has certain well-recognized exceptions, particularly in cases arising in the federal courts. See Robertson & Kirkham, Jurisdiction of the Supreme Court of the United States, § 418 (1951 Wollson & Kurland ed.); Stern & Gressman, Supreme Court Practice, § 6.37 (1969 4th ed.).

The instant case is not one where the parties have not briefed or argued a question which the Court nevertheless finds controlling under its authority to notice plain error. See Rule 40 (1) (d) (2), Rules of the Supreme Court of the United States; Silber v. United States, 370 U. S. 717 (1962). Rather, given what transpired at oral argument, the ease is like Moragne v. States Marine Lines, Inc., 398 U.S. 375 (1970). There, when granting certiorari, we asked the parties to brief and argue the continued validity of The Harrisburg 119 U.S. 199 (1886). The petitioner, who would have stood to gain if The Harrisburg perished, argued that that decision should be overruled, but strongly maintained that it was unnecessary to do so in order to afford her relief. Respondent of course argued that The Harrisburg should be left intact. The United States, appearing as amicus curiae, urged the Court to overrule The Harrisburg, and that was the result.

Moreover, in a landmark decision involving an

Moreover, in a landmark decision involving an important question of judicial administration in the federal courts, this Court overruled a prior decision of many years' standing although neither of the parties urged such a holding in their briefs. Erie R. Co. v. Tompkins, 304 U.S. 64, 66, 68-69 (1938). See also R. Jackson, The Struggle for Judicial Supermacy 281-282 (1949). While the question here is hardly of comparable importance, it is a significant one, in the same general field, and it has been fully briefed and argued by the parties and amici. See Moragne, supra, 398 U.S., at 378-380, n. 1; cf. NLRB v. Pittsburgh S. S. Co., 337 U.S. 656, 661-662 (1940)

judgment in a previous case, neither party (or his privy) in the second action may use the prior judgment as determinative of an issue in the second action. Triplett was decided in 1936. The opinion stated that "the rules of the common law applicable to successive litt-gations concerning the same subject matter" of a patent claim previously held invalid in a suit against a different defendant." 297 U.S., at 644, 29 USPQ at 4. In Bigelow v. Old Dominion Copper Co., 225 U.S. 111, 127 s (1912), the Court had stated that it was "a principle of general elementary law that the estoppel of a judgment must be mutual."? Enter the same rule was reflected in the Restatement of Judgments. Restatement, Judgments, the

But even at the time Triplett was decided, and certainly by the time the Restatement was published, the mutuality rule had been under fire. Courts had discarded the requirement of mutuality and held that only the party against whom the plea of estoppel was asserted had to have been in privity with a party in the prior action. As Judge

⁷ See also id., at 130-131; Stone v. Farmer's Bank, 174 U.S. 499 (1899); Keokuk & W. R. Co. v. Missouri, 152 U.S. 301, 317 (1894); Litchfield v. Goodnow, 123 U.S. 549, 552 (1887). Bigelow also spent some time discussing one of the many exceptions to the mutuality requirement, 225 U.S., at 127-128. These "exceptions" are described in Moore & Currier, Mutuality and Conclusiveness of Judgments, 35 Tul. L. Rev. 301, 311-329 (1961), and Note, 35 Geo. Wash. L. Rev. 1010, 1015-1017 (1967).

8 Under the topic head "Persons not Parties or Privies," § 93 provides:

"General Rule. Except as stated in §§ 94.
111, a person who is not a party or privy to a
party to an action in which a valid judgment
other than a judgment in rem is rendered (a)
cannot directly or collaterally attack the judgment, and (b) is not bound by or entitled to claim
the benefits of an adjudication upon any matter
decided in the action."

Illustration 10 of the Restatement stated the essentials of the Triplett rule:

"A brings an action against B for infringement of a patent. B defends on the ground that the alleged patent was void and obtains judgment. A brings an action for infringement of the same patent against C who seeks to interpose the judgment in favor of B as res adjudicata, but setting up no relation with B. On demurrer, judgment should be for A."

⁹ Atkinson v. White, 60 Me. 396, 398 (1872); Jenkins v. Atlantic Coast Line R. Co., 89 S. C. 408, 71 S. E. 1010 (1911); United States v. Wexler, 8 F.2d 880 (ED NY 1925); Brobsion v. Burgess et al., 290 Pa. 331, 138 A. 849 (1927); Eagle, Star & British Dominion Ins. Co. v. Heller, 149 Va. 82, 140 S.E. 314 (1927); Liberty Mutual Insurance Co. v.

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r Friendly has noted, Bentham had attacked the doctrine "as destitute of any semblance of reason, and as a maxim which one would suppose to have found its way from the gaming table to the bench" * * * ." Zdanok v. Glidden Co., 327 F.2d 944, 954 (CA2 1964), cert. denied, 377 U.S. 934 (1964) (quoting 3 Bentham, Rationale of Judicial Evidence, 579-580 (1827); reprinted in 7 Works of Jeremy Bentham 171 (Bowring ed. 1843)).

There was also ferment in scholarly sources. 10

Building upon the authority cited above, the California Supreme Court, in Bernhard v. Bank of America Nail. Trust & Savings Assn., 19 Cal.2d 807, 122 P.2d 892 (1942), unanimously rejected the doctrine of mutuality, stating that there was 'no compelling reason * * * for requiring that the party asserting the plea of res judicata must have been a party, or in privity with a party, to the earlier litigation." Id., at 812. Justice Traynor's opinion, handed down the same year the Restatement was published, listed criteria since employed by many courts in many contexts:

"In determining the validity of a plea of res judicata three questions are pertinent: Was the issue decided in the prior adjudication identical with the one presented in the action in question? Was there a final judgment on the merits? Was the party against whom the plea is asserted a party or in privity with a party to the prior adjudication?" 19 Cal. 2d, at 813, 122 P.2d, at 895.

Although the force of the mutuality rule had been diminished by exceptions and Bernhard itself might easily have been brought within George Colon & Co., 260 N.Y. 305, 183 N.E. 506 (1932); Coca-Cola Co. v. Pepsi Cola Co., 36 Del. 124, 172 A. 260 (Super. Ct. 1934); see also Good Health Dairy Food Products Corp. v. Emery, 275 N.Y. 2d 14, 19, 9 N.E. 2d 758, 760 (1937). In the latter case, the New York Court of Appeals stated:

"It is true that [the owner of the automobile], not being a party to the earlier actions, and not having had a chance to litigate her rights and liabilities, is not bound by the Judgments entered therein, but on the other hand, that is not a valid ground for allowing the plaintiffs to litigate anew the precise questions which were decided against them in a case in which they were parties."

¹⁰ The principle was attacked in Cox, Res Adjudicata: Who Entitled to Plead, 9 Va. L. Reg. N. S. 241, 245-247 (1923); Comment, 35 Yale L. J. 607, 610 (1926); Comment, 29 Ill. L. Rev. 93, 94 (1934); Comment, 18 N. Y. U. L. Q. R. 565, 570, 8 573 (1941); Note, 27 Va. L. Rev. 955 (1941); Note, 54 U. Cimn. L. Rev. 349 (1941); Cf. von Moschzister, Res Judicata, 38 Yale L. J. 299, 303 (1929); Comment, 23 Ore. L. Rev. 273 (1944); Note, 54 Harv. L. Rev. 889 (1941).

ainst a plaintiff bringing suit on an ternhard persuasive. As Judge Hastie : litigated and lost as plaintiff in a tion. "The trend has been apparent in as invoked defensively in a second acnent, especially where the prior judgd federal courts rejected the mutuality pard had significant impact. Many iore than 20 years ago: question cases. 12 The federal courts

e permitted to go to trial on the merits some overriding consideration of fairand reasonable time-saving in judicial at claim a second time. Both orderlid precept that a party who has had to a litigant dictates a different result nistration require that this be so unair and his second effort to prove negligence imprehended by the generally accircumstances of a particular case. air and full opportunity to prove a and has failed in that effort, should

opportunity to [plaintiff] on his own defendant] had no opportunity to con-he issue there. The finding of no negwould not have been binding against [defendant in a second suit] because ng of negligence in the [plaintiff's first permitted to take advantage of an earaffirmative finding of negligence, had
a finding been made in this first suit int suit [the plaintiff] would not have he countervailing consideration urged is lack of mutuality of estoppel. In the ion to prove the very matter which he ce on the other hand was made after ie argues that he should not be bound ist a different defendant]. For that reacontrary finding in that case. But a

riables: Parties, 50 Iowa L. Rev. 27, 43-76 Note, 35 Geo. Wash L. Rev. 1010 (1967). Currie, Mutuality of Collateral Estoppel: 5t the Bernhard Doctrine, 9 Stan. L. Rev. 57); Note, 68 Col. L. Rev. 1590 (1968); Cornell L. Q. 724 (1967). see generally Vestal, Preclusion/Res Judidiscussion of the "offensive-defensive" dis-

ns, that the federal courts will apply their e of res judicata." Heiser v. Woodruff, 327 26, 733 (1946). See also Vestal. Res i/Preclusion by Judgment: The Law Ap-Federal Courts, 66 Mich. L. Rev. 1723, 745 (1968); id., cases cited at 1739-1740, federal question cases, the law applied is law. This Court has noted, "It has been non-diversity cases, since Erie R. Co. v.

> nied, 340 U.S. 865 (1950). ness results here from estoppel which is not measure of the fairness of the rules of res judicata." Bruszewski v. United States, 181 F.2d 419, 421 (CA3 1950), cert. demetrical. But the achievement of substanmutual. In reality the argument of [plain-tiff] is merely that the application of res now urges a second time. Thus, no unfairtial justice rather than symmetry is judicata in this case makes the law asymis merely that the application of res

cord unless in a diversity case bound to apply a conflicting state rule requiring mutuality. 13
Of course, transformation of estoppel law question and diversity jurisdiction, are in ac-Many federal courts, exercising both federal

eral courts, when free to apply their own doctrine." Moore & Currier, Mutuality and Conclusiveness of Judgments, 35 Tul. L. Rev. 301, 304 (1961) (footnotes omitted); see also, IB Moore's Federal Practice, 0.412, pp. 1803-1804 (1965). However, in 1970 Professor Moore noted that "the trend in the federal courts is away from the rigid requirements of mutuality advocated herein." Id., 1970 Cum. Supp. p. 53. The same trend is evident in the doctrine of mutuality, subject to certain exceptions * * * And the same is true of fedstate courts. 14 ate as 1961, eminent authority stated that "[m]ost state courts recognize and apply the was neither instantaneous nor universal.

(CA DC 1969); Provident Tradesmen's Bank & Trust Co. v. Lumbermen's Mutual Cas. Co., 411 F. 2d 30, 82-25 (CA3 1969); Seguros Tepeyac, S. A. Compania Mexicana v. Jernigan, 410 F. 2d 718, 726-728 (CA5 1969), cert denied 396 U.S. 905 (1969); Caulfield v. Fidelity & Cas. Co. of New York, 378 F. 2d 876, 878-879 (CA5 1967), cert. denied, 389 U. S. 1009; Graves v. Associated Transport, Inc., 344 F. 2d 894 (CA4 1965); Kurlan v. Commissioner, 343 F. 2d 625, 628-629 (CA2 1965); United States v. United Air Lines, 216 E. Supp. 709, 725-730 (ED Wash., Nev. 1962), affirmed as to res judicata sub nom. United Air Lines, Inc. v. Wiener, 335 F. 2d 379, 404-405 (CA9 1964), cert. dismissed 379 U.S. 951 (1964); Zdanok v. Glidden Co., supra, at 954-956; Davis v. McKinnon & Monney, 266 F. 2d 870, 872-873 (CA6 1959); People v. Ohio Cas. Ins. Co., 232 F. 2d 474, 477 (CA10 1956); Adriaanse v. United States, 184 F. 2d 968 (CA2 1950), cert. denied, 340 U. S. 932 (1951); Maryland v. Capital Airlines, Inc., 267 F. Supp. 298, 302-305 (Md. 1967); Matthews v. New York Racing Assn., Inc., 193 F. Supp. 298 (Mass., 1960).

1 See eases cited n. 9, supra. A more recent canvass of cases is presented in Note, 35 Geo. Wash. L. Rev. 1010 (1967).

cent state court to adopt Bernhard. Bahler v. Fletcher, 474 P.2d 329 (Ore. 1970); see also Pen-The Supreme Court of Oregon was the most re-

> effects afforded criminal judgments in civil litigation 6—which enhance the capabilities of the courts to deal with some issues swiftly contexts15 and expansion of the preclusive other developments—such as expansion of the definition of "claim" in bar and merger gation of mutuality has been accompanied by as unsound. Nor is it irrelevant that the abronumber of courts have rejected the principle mental change in the common-law tradition. mutuality of estoppel is undergoing funda-In its pristine formulation, an increasing Undeniably, the court-produced doctrine of

relitigate the validity of a patent once a federal court has declared it to be invalid.17 or rejection. But at the very least they counsel pel is a viable rule where a patentee seeks to us to re-examine whether mutuality of estoptrine are not before us for wholesale approval

nington v. Snow, 471 P.2d 370, 376-377 (Alaska 1970); Ellis v. Crockett, 451 P.2d 814, 822 (Hawaii 1969); Pat Perusse Realty Co. v. Lingo, 249 Md. 33, 238 A.2d 100 (1968); Sanderson v. Balfour, 109 N.H. 213, 247 A.2d 185 (1968); Home Owners Fed. Savings & Loan Assn. v. Northwestern Fire & Marine Ins. Co., 354 Mass. 448, 238 N.E.2d 55, 57-59 (1968) (approving use of Bernhard by a defendant against a previously losing plaintiff); DeWitt v. Hall, 19 N.Y.2d 141, 225 N.E.2d 195 (1967); Lustik v. Rankila, 269 Minn. 515, 131 N.W.2d 741 (1964); Lucas v. Velikanje, 2 Wash. App. 888, 471 P.2d 103 (1970) (lower state would follow Bernhard in an appropriate case); Howell v. Vito's Trucking & Excavating Co., 20 Mich. App. 140, 173 N.W.2d 777 (1969); Desmond v. Kramer, 96 N. J. Super. 96, 232 A.2d 470 (1967); Lynch v. Chicago Transit Authority 62 Ill. App. 2d 220, 210 N.E.2d 792 (1965).

18 Cee F. James, Civil Procedure 552-573 (1965); Vestal, Res Judicata/Preclusion by Judgment: The Law Applied in Federal Courts, 66 Mich. L. Rev. 1723, 1724 (1968).

16 See Moore v. United States, 360 F.2d 353 (CA4 1965); Teitelbaum Furs, Inc. v. Dominion Ins. Co., Ltd., 58 Cal.2d 601, 375 P.2d 439 (1962); Eagle, Star & British Dominion Ins. Co. v. Heller, 149 Va. 82, 140 St. 314 (1927); Vestal, supra, n. 15, at 1724; Vestal & Coughenour, Preclusion/Res Judicata Variables: Criminal Prosecutions, 19 Vand, L. Rev. 683 (1966).

ure to modify that rule over the years, see Boys Markets, Inc. v. Retail Clerks Union, 398 U.S. 235, 241-242 (1970); Girouard v. United States, 328 U.S. 61, 69-70 (1946); Helvering v. Hallock, 309 U.S. 106, 119-120 (1940); by anything that infra, have disappeared from recent proposals or because in rem invalidity provisions, see n. transpired during the preparation for and accom-plishment of the 1952 revision of the Patent Code, 17 We agree with the Government that Congress has not approved the Triplett rule, either by its fail-

Blonder-Tongue, Inc. v. University of Illinois Foundation where that can be achieved without comproconnect erosion of the mutuality requirement The cases and authorities discussed above

goal of limiting relitigation of issues

but fairly. Obviously, these mutations in estoppel docses the concern exemplified by Bentham's refand fair opportunity for judicial resolution of the same issue. The question in these terms judicial administration, but it also encompasincludes as part of the calculus the effect on tenable to afford a litigant more than one full broader question is whether it is any longer more than crowded dockets is involved. The abandoning mutuality,18 but it is clear that ing on crowded dockets and long delays pre-ceding trial. Authorities differ on whether the tion is a sufficient ground in and of itself for public interest in efficient judicial administramising fairness in particular cases. The courts have often discarded the rule while comment-

ants holds out reflects either the aura of gaming table or "a lack of discipline and of disinterestedness on the part of the lower courts, hardly a worthy or wise basis for fashioning rules of procedure." Kerotest Mfg. Co. v. sue as long as the supply of unrelated defend-Permitting repeated litigation of the same about the plaintiff's allocation of resources. first suit, there is reason to be concerned ing that the issue was resolved correctly in the native uses-productive or otherwise- to reant's time and money are diverted from alterfully and fairly, but unsuccessfully, litigated the same claim in the prior suit, the defendin the second suit may not win by asserting, without contradiction, that the plaintiff had tuality principle, is forced to present a com-plete defense on the merits to a claim which the plaintiff has fully litigated and lost in a litigation of a decided issue. And still assumprior action, there is an arguable misalloca-tion of resources. To the extent the defendant principle of mutuality of estoppel. In any lawerence to the gaming table in his attack on the suit where a defendant, because of the mu-

trivance to dispose of cases merely for the sake of disposition and clear up dockets in that manner." Moore & Currier, supra, n. 7, at 308. On the other asserting an estoppel was not a party (or privy to a party) in the earlier suit. They then argue that "the doctrine of judicial finality is not a catch-penny conone of the underpinnings of the general concept of res judicata is the prevention of harassment of some litigants by the repeated assertion of the same or different claims against them by others, and that this problem is simply not present where the person 18 Professors Moore and Currier point out that

hand, Professor Vestal argues that "[j]udges, over-whelmed by docket loads, are looking for devices to expedite their work. Preclusion offers an opportu-nity to eliminate litigation which is not necessary or desirable." Vestal, supra, n. 15, at 1724

vo Co., 342 U.S. 180, 185, 92 USPQ (1952). Although neither judges, the nor the adversary system perform y in all cases, the requirement of ning whether the party against whom ppel is asserted had a full and fair nity to litigate is a most significant rd.

r it has once been held invalid following a patent holder to sue on his pat n they have been to allow a plaintiff in stand squarely against their position. sberry v. Lee, 311 U.S. 32, 40 (1940); rd, supra, 19 Cal.2d, at 811, 122 ortunity for full and fair trial. use" questions. Rather, it depends on is involves neither due process nor "ofand suit to use offensively a judgment d by a different plaintiff in a prior suit the same defendant. 19 But the case is estopping them despite one or more ad a chance to present their evidence without litigating the issue. They have or action-may not be collaterally essiderations weighing for and against guments on the claim. Due process illing to permit a defendant in a secto invoke an estoppel against a plain-lost on the same claim in an earlier 894. Also, the authorities have been adjudications of the identical issue litigants-those who never appeared

e are several components of the probrst, we analyze the proposed abrogamodification of the Triplett rule in
if those considerations relevant to the
system. Second, we deal broadly with
nomic costs of continued adherence to
t. Finally, we explore the nature of the
if any, which permitting patentees to
te patents once held invalid imposes on
ral courts.

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ing with the premise that the statutes the patent system, expressly sancty the Constitution, or epresent an tive policy choice by Congress to reinventors, respondents extrapolate a public interest in sustaining "good" and characterize patent litigation as nical and difficult as to present unusual

see United States v. United Air Lines, su-13; Zdanok v. Glidden Co., supra. n. 13; supra, 53 Cal. L. Rev., at 28-37; Vestal, 0 lowa L. Rev., at 55-59; cf. Semmel, Colistoppel, Mutuality, and Joinder of Parties, L. Rev. 1457 (1968); Weinstein, Revision edure, Some Problems in Class Actions, 9 stev. 433, 448-454 (1960); Note, 35 Geo. L. Rev. 1010 (1967).

potential for unsound adjudications. Although Triplett made no such argument in support of its holding, that rule, offering the unrestricted right to relitigate patent validity, is thus deemed an essential safeguard against improvident judgments of invalidity.²¹
We fully accept congressional judgment to

is to expect that a second District Judge or Court of Appeals would be able to decide the issue more accurately. Moreover, as Graham [1] also indicates, Congress has from the scienter, and should be amenable to a case-by-case development." Graham v. John Deere Co., 383 U.S. 1, 18, 148 USPQ 459, 467 rable to those encountered daily by the courts decision. 22 On the other hand this Court has frankly stated that patent litigation can pre-sent issues so complex that legal minds, withconcerning patent validity are so complex and U.S., at 10, 148 USPQ at 464. In any event it entability while lodging in the federal courts final authority to decide that question. 383 outset chosen to impose broad criteria of patin such frames of reference as negligence and out appropriate grounding in science and technology, may have difficulty in reaching We are also aware that some courts have reward inventors through the patent system. cannot be sensibly contended that all issues uncertainty, one might ask what reason there as to provoke a frank admission of judicial (1966). But assuming a patent case so difficult 35 U.S.C. § 103 present difficulties "compaobserved that issues of nonobviousness under 21 The Court of Claims has stated:

"For patent litigation there is a special reason why relitigation is not automatically banned as needless or redundant, and why error should not be perpetuated without inquiry. Patent validity raises issues significant to the public as well as to the named parties. Sinclair & Carroll Co. v. Interchemical Corp., 325 U.S. 327, 330, 65 USPQ 297, 299 (1945). It is just as important that a good patent be ultimately upheld as that a bad one be definitively stricken. At the same time it must be remembered that the issue of patent validity is often 'as fugitive, impalpable, wayward, and vague a phantom as exists in the whole paraphermalia of legal concepts. * * If there be an issue more troublesome, or more apt for litigation than this, we are not aware of it.' Harries v. Air King Products Co., supra, 183 F.2d, at 162. 86 USPQ at 61 (per L. Hand, C. J.). Because of the intrinsic nature of the subject, the first decision can be quite wrong, or derived from an insufficient record or presentation." Technograph Printed Circuits, supra, 372 F.2d, at 977-978, 153 USPQ at 304.

²² See Nyyssonen v. Bendix Corp., 342 F.2d 531, 532, 144 USPQ 555, 556 (CA1 1965); Harries v. Air King Products Co., 183 F.2d 158, 164, 86 USPQ 57, 62-63 (CA2 1950); Parke-Davis & Co. v. H. K. Mulford Co., 189 F. 95, 115 (SD NY 1911).

unyielding. Nonobviousness itself is not always difficult to perceive and decide and other questions on which patentability depends are more often than not no more difficult than those encountered in the usual nonpatent case. ²³

Even conceding the extreme intricacy of some patent cases, we should keep firmly in mind that we are considering the situation where the patentee was plaintiff in the prior suit and chose to litigate at that time and place. Presumably he was prepared to litigate and to litigate to the finish against the defendant there involved. Patent litigation characteristically proceeds with some deliberation and with the avenues for discovery available under the present rules of procedure, there is no reason to suppose that plaintiff patentees would face either surprise or unusual difficulties in getting all relevant and probative evidence before the court in the first litigation.

[2] Moreover, we do not suggest, without legislative guidance, that a plea of estoppel by an infringement or royalty suit defendant must automatically be accepted once the defendant in support of his plea identifies the issue in suit as the identical question finally decided against the patentee or one of hisprivies in previous litigation. Rather, the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have 'a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time. Eisel v. Columbia Packing Co., 18t F.Supp. 298, 301 (Mass. 1960). This element in the estoppel decision will comprehend, we believe, the important concerns about the complexity of patent litigation and the posited hazard that the prior proceedings were seriously defective.

Determining whether a patentee has had a full and fair chance to litigate the validity of his patent in an earlier case is of necessity not a simple matter. In addition to the considerations of choice of forum and incentive to liti-

²³ The Triplett rule apparently operates to defeat a plea of estoppel where a patent has been declared invalid under provisions other than 35 U.S.C. § 103, the section defining nonobviousness of the subject matter as a prerequisite to patentability and giving rise to many technical issues which it is claimed courts are proriy equipped to judge. Under § 101 and § 102 of the 1952 Act, patentability is also conditioned on novelty and utility. Some subsections of § 102—each of which can result in the loss of a patent—involve completely nontechnical issues. Yet the breadth of Triplett would force defendants in repetitious suits on a patent invalidated on one of these grounds to repeat proof which may be simple of understanding yet expensive to

24 See nn. 34-35, infra.

rulings on estoppel pleas. In the end, decision will necessarily rest on the trial courts' sense cial evidence or witnesses in the first litigaof his own the patentee was deprived of cruwill provide an automatic formula for proper and issues in suit; and whether without fault facts, no one collection of words or phrases, tion.26 But as so often is the case, no one set of failed to grasp the technical subject matter tively rare instances where the courts wholly cate that the prior case was one of those relapra; whether the opinions filed by the District Court and the reviewing court, if any, indinounced in Graham v. John Deere Co., sution purported to employ the standards anwould be whether the first validity determinais nonobviousness, appropriate inquiries immediately emerge. For example, if the issue gate mentioned above, 25 certain other factors justice and equity.

We are not persuaded, therefore, that the Triplett rule, as it was formulated, is essential to effectivate the purposes of the patent system or is an indispensable or even an effective safeguard against faulty trials and judgments. Whatever legitimate concern there may be about the intricacies of some patent suits, it is insufficient in and of itself to justify patentees relitigating validity issues as long as new defendants are available. This is especially true if the court in the second litigation must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it.

В

An examination of the economic consequences of continued adherence to Triplett has two branches. Both, however, begin with the acknowledged fact that patent litigation is a very costly process. Judge Frank observed in 1942 that "the expense of defending a patent suit is often staggering to the small businessman." Picard v. United Aircraft Corporation, 128 F.2d 632, 641, 53 USPQ 563, 572 (CA2 1942) (concurring opinion). In Lear,

³⁵ See Zdanok v. Glidden Co., supra, n. 13, at 956; Teitelbaum Furs, Inc., supra, n. 16, 58 Cal.2d, at 606-607, 375 P.2d, at 441; cf. Berner v. British Commonwealth Parific Airlines, Ltd., 346 F.2d 532, 540-541 (CAZ 1965).

²⁶ It has been argued that one factor to be considered in deciding whether to allow a plea of estoppel in a second action is the possibility that the judgment in the first action was a compromise verdict by a jury. This problem has not, however, been deemed sufficient to preclude abrogation of the mutuality principle in other contexts. Nor would it appear to be a significant consideration in deciding when to sustain a plea of estoppel in patent litigation, since most patent cases are tried to the court. See n. 30, infra.

e advised that the average cost for liti-patent is about \$50,000."27 forced them to postpone bringing legal See, e. g., Baker Mfg. Co. v. White-Mfg. Co., 430 F.2d 1008, 1014-1015, laws, a lawyer-businessman discussing of laches in suing on their patents, pat-have claimed that the expense of litisuit was avoiding "the necessity of deg to a businessman accepting a license usal of the American Society of InveniPQ 463, 467-468 (CA7 1970). In rengressional hearings on revision of the 269), we noted that one of the benefits Adkins, 395 U.S. 653, 669, 162 USPQ an expensive infringement action durperiod when he may be least able to holding non-assigned patents stated: funds for litigation to individual ingovernment-sponsored insurance to patentee who was threatening him 'Similarly, in replying to claims infringers that they have been

nt part: is, and patentees are heavily favored ide in Baker Mfg., supra, must be as-in light of the fact that they are adass of litigants by the patent statute. statement, and arguments such as the 282 of the Patent Code provides, in by patentees contemplating action as

en of establishing invalidity of a patent rest on a party asserting it." I patent shall be presumed valid. The

urged as a defendant in a complex ined the financial burden looming before e Senate sub-committee considering law revision in 1967, a member of the o bolster the claims. In testimony beto rebut whatever proof the patentee o overcome the presumption and at-'en higher costs as he both introduces nes run to "hundreds of thousands of ent action in terms of amounts that nt's Commission on the Patent System defendant in an infringement suit will tentee's expense is high though he enbenefits of the presumption of validi-

urings before Subcommittee on Patents, arks, and Copyrights of Senate Committee Judiciary, on Patent Law Revision, 90th d Sess., at 616 (1968) (statement of Henry ello, President, Space Recovery Research nate Hearings). Inc., and consultant on patent policy for the Small Business Association) (hereafter Small Business Association)

rings before Subcommittee on Patents, arks, and Copyrights of Senate Committee Judiciary, on Patent Law Revision, 90th st Sess., at 103 (1967) (statement of James

a Senate staff report stated that the "typical ency to try these suits without juries, and notwithstanding the overwhelming tendency to try these suits without juries, 30 patcomprise between 1 and 2% of the total numpatent trial, without a jury, was completed in ent cases that go to trial seem to take an inor-dinate amount of trial time. 31 While in 1961 Courts.29 Despite this relatively small figure, ber of civil cases filed each year in the District Statistics tend to bear this out. Patent suits

W. Birkenstock, Vice President, I. B. M. Corp.) (hereafter 1967 Senate hearings).

identified as one of its primary objectives "reduc[ing] the expense of obtaining and litigating a patent." "To Promote the Progress of ** Useful Arts" in an Age of Exploding Technology, Report of the President's Commission on the Patent System, p. 4 (1966) (hereafter Commission Report). Judge Rich of the Court of Customs and Patent Appeals, whose public reaction to the Commission Report was mixed, did agree that "[[]itigation]. being as expensive as it is, no one embarks upon it lightly." Rich, The Proposed Patent Legislation: Some Comments, 35 Geo. Wash. L. Rev. 641, 644 It is significant that the President's Commission

the federal district courts, 857 of which were filed in the federal district courts, 857 of which were patent suits. In fascal 1969, 77,193 civil suits were filed; 889 involved patents. In fascal 1970, 87,321 civil suits were initiated, 1,023 of which involved patents. Annual Report of the Director of the Administrative Office of the United States Courts for the Fiscal Year Ended June 30, 1968, Table C-2 (1969); Annual Report of the Director of the Administrative Office of United States Courts for the Fiscal Year Ended June 30, 1969, Table C-2 (1970); Annual Report of the Director of the Administrative Office of the United States Courts for the Fiscal Year Ended June 30, 1970, Table C-2 (1970); Annual Report of the Jirector of the Administrative Office of the United States Courts for the Fiscal Year Ended June 30, 1970, Table C-2 (1970); Annual Report of the Jirector of the Administrative Office of the United States Courts for the Fiscal Year Ended June 30, 1970, Table C-2 (1970); Annual Report of the June 30, 1970, Table C-2 (1971) (hereafter Annual Report 1968, fre) ç

³⁶ Most patent cases are tried to the court. In fiscal 1968, 1969, and 1970, the total number of

patent cases going to trial and the number of patent cases going to juries were, respectively: 1968—131, 2; 1969—132, 8; and 1970—119, 3. Annual Reports, 1968-1970, supra n. 29, Table C. 8.

"I'he table below compares patent cases tried to the court during fiscal 1968, 1969, and 1970 with all nonjury civil cases tried during the same years. It reveals several facts: (1) something over 90% of all civil litigation is concluded within three full trial days, but less than half the patent cases are concluded in such a period of time; (2) whereas between 12% and 1.7% of civil nonjury trials in general require 10 or more trial days, between 14.7% and 19% of the patent cases tried to the court require 10 or more days to conclude; and (3), while the three-year record in the district courts appears to be toward more expeditious handling of civil rases. age of cases requiring 10 or more days, the trends days or less and an overall decrease in the percent in the percentage of cases concluded in three trial tried without a jury in terms of an annual increase be toward more expeditious handling of civil cases

CONTROL OF THE PROPERTY OF THE

this description of the time required is today inaccurate.³³ And time—particularly trial time—is unquestionably expensive. days or less,"32 recent figures indicate that

divert substantial funds to litigation that is entee is expending funds on litigation to prosue and involving much of the same proof has a high cost to the individual parties. The patond infringement action raising the same istained. First, assuming that a perfectly sound judgment of invalidity has been rendered in expense of patent litigation has two principal consequences if the Triplett rule is mainleged infringer-operating as he must against as further research and development. The altect a patent which is by hypothesis invalid. These moneys could be put to better use, such an earlier suit involving the patentee, a secthe presumption of validity-is forced As stated at the outset of this section, the

The second major economic consideration	conomic o	onside	ration
3	Fiscal 1968	Fiscal 1969	Fiscal 1970
trials	5,478	5,619	5,619 6,078
trials	129	129 124	116
civil cases concluded in 3 trial days or less	03 3	3	3
Approx. % of non-jury	ì	1	Š
in 3 trial days or less Approx. % of non-jury	49.6	46.8	44.0
civil trials taking 10 or more trial days to con-			•
Approx. % of non-jury patent trials taking 10	:	;	i
or more trial days to			
conclide	14.7 15.3	15.3	19
Source: Annual Reports, 1968-1970, supra n. 29, Table C-8	1968-1970,	supra	п. 29,
32"An Applysic of Datas Times:		,	

X. An Analysis of Patent Litigation Statistics,"
Staff Report of the Subcommittee on Patents,

Trademarks, and Copyrights of Senate Committee on the Judiciary, 86th Cong., 2d Sess., 2 (1961) (hereafter 1961 Staff Report).

"See n. 31, supra. The 1961 Staff Report also noted that during the "fiscal years 1954-58 *** nine [patent] trials consumed 20 or more days." 1961 Staff Report, supra n. 32, at 2. Further examination of recent figures from the Administrative Office of Courts indicates that this statement would also be of questionable validity today. In fiscal 1968, 38 civil trials that took 20 days or more to try were terminated. Of these, five, or about 13%, were patent cases. The comparable figures for fiscal 1969 are 28 civil trials entities. seven, or about 22%, of these suits were patent cases. Annual Reports, 1968-1970, supra n. 29, are 28 civil trials requiring 20 or more days concluded, seven (25%) of which were patent cases. In fiscal 1970, 32 such civil cases were terminated: 32 such civil cases were terminated;

> of challenging the patent. enjoys the statutory presumption of validity, and so may easily put the alleged infringer to paying royalties under a license or other settlement is preferable to the costly burden his expensive proof. As a consequence, pro-spective defendants will often decide that patent. In each successive suit the patentee prior judgment operate to limit the patentee's right to sue different defendants on the same the comity restraints flowing from an adverse is far more significant. Under Triplett, only

such suits were terminated without a second adjudication of validity. 1961 Staff Report, supra. It is apparent that termination without United Aircraft Corp., supra, 128 F.2d, at 641-642, 53 USPQ at 571-572 (concurring opinion). In 1961, the Senate Judiciary Subcommittee on Patents, Trademarks, and Copyrights published a staff study of infringealone was sufficient to forestall a challenge to study covered only cases filed and terminated; sult of a licensing agreement or some other there were undoubtedly more suits that were threatened but not filed because the threat suit. It is also important to recognize that this settlement between the parties to the second a second adjudication of validity was the redetermination that the patent in suit was not valid. It also noted that the "vast majority" of showed 62 actions commenced after an earlier ment and declaratory judgment actions termi-nated in the District Courts and Courts of comment before. See, e. g., Nickerson v. Kutschera, supra, 419 F.2d, at 988 n. 4, 164 Appeals during 1949-1958; the report USPQ at 235 (dissenting opinion); Picard v The problem has surfaced and drawn

consequences of repetitious patent litigation and recent testimony on proposals for changes the Commission proposed: in the patent laws. Motivated by the economic President's Commission on the Patent System This is borne out by the observations of the

Report, supra n. 28, at 38. sequently distributed by the Patent Office."
Recommendation XXIII, Commission shall be indicated on all patent copies subdeclaring a patent claim invalid shall be in rem, and the cancellation of such claim "A final federal judicial determination

who is unable or unwilling to defend a suit on the patent, stating also that a "patentee, having been afforded the opportunity to ex-haust his remedy of appeal from a holding of should not be allowed to harass others on disadvantage imposed on an alleged infringer invalidity, has had his 'day in court' The Commission stressed the competitive

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can seriously impair his ability to stay in business." 1967 Senate Hearings, supra, at

f an invalid claim. There are few, if spical grounds for permitting him to crowded court dockets and to subject to costly litigation." Id., at 39. The provoked the introduction of several effect broad changes in the patent sysome bills contained provisions imposinflexible rule of in rem invalidity opagainst a patentee regardless of the er of the litigation in which his patent st declared invalid. See S. 1042, 90th 1st Sess. (1967), § 294, and H. R. 90th Cong., 1st Sess. (1967), § 294, 4 3892, 90th Cong., 2d Sess. (1968), Hearings were held in both houses on

stoppel and Cancellation

r has been given notice as provided in on (c) of this section, a final adjudication, orse notice on all copies of the patent thereays of such adjudication the clerk of the 10wn by the records of the Patent Office is a the validity or scope of a claim of a patent is before the court, and the owner of the patt to such adjudication. tributed by the Patent Office that the patent the Patent Office pertaining to such patent who shall place the same in the public recich other Federal actions as the latter court ederal action, and may constitute an estopnd those in privity with him, in any subsenich no appeal has been or can be taken, n any action in a Federal court in which the all transmit notice thereof to the Commisshall constitute an estoppel against the patthe scope of the claim or holding it to be

n any action as set forth in subsection (a) of ion, upon a final adjudication from which al has been or can be taken that a claim of nt is invalid, the court may order cancella-uch claim from the patent. Such order shall ded in the notice to the Commissioner speciubsection (a) of this section, and the notice llation of a claim shall be published by the sioner and endorsed on all copies of the rereafter distributed by the Patent Office.

n any action in a Federal court in which the or scope of a claim of a patent is drawn into the owner of the patent, as shown by the of the Patent Office, shall have the uncondight to intervene to defend the validity or such claim. The party challenging the vascope of the claim shall serve upon the patter a copy of the earliest pleadings asserting alidity. If such owner cannot be served with aadings, after reasonable diligence is exervice may be made as provided for in the Rules of Civil Procedure and, in addition, nall be transmitted to the Patent Office and published in the Official Gazette."

incellation by Court

n any action in a Federal court in which the the validity of a claim of a patent is drawn stion, and the owner of the patent as shown coords of the Patent Office is a party or has ren notice as provided in subsection (b) of

these and other patent revision bills.*
In the Senate hearings, a member of the President's Commission remarked:

"The businessman can be subjected to considerable harassment as an alleged infringer. Even in cases where he feels strongly that the patent would ultimately be held invalid, when he considers the hundreds of thousands of dollars in complex cases that could be involved in defending a suit, he may conclude that the best course of action is to settle for less to get rid of the problem. These nuisance settlements, although distasteful, are often, under the present system, justified on pure economics.

*

"In many instances the very survival of the small businessman may be at stake. His cost of fully litigating a claim against him

this section, the court may, upon final adjudication, from which no appeal has been or can be taken, holding the claim to be invalid, after such claim has previously been held invalid on the same ground by a court of competent jurisdiction from which no appeal has been or can be taken, order cancellation of such claim from the patent. Within thirty days of such order the clerk of the court shall transmit notice thereof to the Commissioner, who shall place the same in the public records of the Patent Office pertaining to such patent, and notice of cancellation of the claim shall be published by the Commissioner and endorsed on all copies of the patent thereafter distributed by the Patent Office.

"(b) In any action in a Federal court in which the

"(b) In any action in a Federal court in which the validity of a claim of a patent is drawn into question, the owner of the patent, as shown by the records of the Patent Office, shall have the unconditional right to intervene to defend the validity of such claim. The party challenging the validity of the claim shall serve upon the patent owner a copy of the earliest pleadings asserting such invalidity. If such owner cannot be served with such pleadings, after reasonable diligence is exercised, service may be made as provided for in the Federal Rules of Civil Procedure and, in addition, notice shall be transmitted to the Patent Office and shall be published in the Official Gazette."

Hearings before the House Judiciary Committee, 90th Cong., on H. R. 5924, 90th Cong., 1st Sess.; Patent Law Revision, Hearings Before the Subcommittee on Patents, Trademarks, and Copyrights, Senate Committee on the Judiciary, 90th Cong., 1st Sess., on S. 2, S. 1042, S. 1377, and S. 1691. In House Hearings, testimony on in rem invalidity provisions covered the full spectrum of opinion. The Patent Section of the American Bar Association was opposed. House Hearings 464-465. The Department of Justice favored it. Id., at 622. The Judicial Conference of the United States approved the provision in principle. Report of the Proceedings of the Judicial Conference of the United States, Feb. Sept. 1968, at 81. Testimony in the Senate Hearings was also varied.

[3] The tendency of Triplett to multiply the opportunities for holders of invalid patents to exact licensing agreements or other settlements from alleged infringers must be considered in the context of other decisions of this Court. Although recognizing the patent system's desirable stimulus to invention, we have also viewed the patent as a monopoly which, although sanctioned by law, has the economic consequences attending other monopolies.³⁸ A patent yielding returns for a

device that fails to meet the congressionally

imposed criteria of patentability is anoma-

"A patent by its very nature is affected with a public interest. * * * [It] is an exception to the general rule against monopolics and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope." Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co., 324 U.S. 806, 816, 65 USPQ 133, 138 (1945).

One obvious manifestation of this principle has been the series of decisions in which the Court has condemned attempts to broaden the physical or temporal scope of the patent monopoly. As stated in Mercoid v. Mid-Continent Investment Co., 320 U.S. 661, 666, 60 USPQ 21, 24 (1944):

³⁷ Although these bills died in committee, it is noteworthy that by ascribing binding effect to the first federal declaration of invalidity, some of the proposed provisions went beyond mere abrogation of Triplent's mutuality principle. Had the statutes been enacted as proposed, see nn. 34.35, supra, the question of whether the patentee had a full and fair opportunity to litigate the validity of his patent in the first suit would apparently have been irrelevant once it was shown that the patentee had received notice that the validity of his patent was in issue.

notice that the validity of his patent was in issue.

"See generally Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 229-230, 140 USPQ 524, 527 (1964); Compco Corp. v. Day-Brite Lighting, 376 U.S. 234, 140 USPQ 528 (1964); Kennedy, Patent and Antitrust Policy: The Search for a Unitary Theory, 35 Geo. Wash. L. Rev. 512 (1967).

"United States v. Bell Telephone Co., 128 U.S. 315, 357, 370 (1888); see also Katzinger Co. v. Chicago Mfg. Co., 329 U.S. 394, 400-401, 72 USPQ 18, 21 (1947); Cuno Corp. v. Automatic Devices Corp., 314 U.S. 84, 92, 51 USPQ 272, 276 (1941); A & P Tea Co. v. Supermarket Corp., 340 U.S. 147, 154-155, 87 USPQ 303, 306-307 (1950) (Construction contained)

"The necessities or convenience of the patentee do not justify any use of the monopoly of the patent to create another monopoly. The fact that the patentee has the power to refuse a license does not enable him to enlarge the monopoly of the patent by the expedient of attaching conditions to its use. United States v. Masonite Corp., [316. U.S. 265,] 277, 53. USPQ at 402 [(1942)]. The method by which the monopoly is sought to be extended is immaterial. United States v. Univis Lens Co., [316 U.S. 241,] 251-252, 53 USPQ at 408 [(1942)]. The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention and is limited to the invention which it defines."40

A second group of authorities encourage authoritative testing of patent validity. In 1952, the Court indicated that a manufacturer of a device need not await the filing of an infringement action in order to test the validity of a competitor's patent, but may institute his own suit under the Declaratory Judgment Act. Kerotest Mfg. Co. v. C.-O-Two Fire Equipment Co., supra, at 185-186, 92 USPQ at 3.41 Other decisions of this type involved removal of restrictions on those who would challenge the validity of patents.42

**See also Brulotte v. Thys Co., 379 U.S. 29, 143 USPQ 264 (1964); International Salt Co. v. United States, 332 U.S. 392, 75 USPQ 184 (1947); e. United States v. Cypsum Co., 333 U.S. 364, 389, e. 76 USPQ 430, 440 (1948); Scott Paper Co. v. Marcalus Co., 326 U.S. 249, 67 USPQ [93 (1945); Morron Salt Co. v. Suppinger Co., 314 U.S. 488, 491-492, 52 USPQ 30 22 (1942); Ethyl Gasoline Corp. v. United States, 309 U.S. 436, 455-459 (1940); International Business Machines Corp. v. United States, 298 U.S. 131, 37 USPQ 224 (1936); Carbice Corp. v. American Patents Corp., 283 U.S. 27, 8 USPQ 211 (1931); Motion Picture Patents Co. v. Universal Film Co., 243 U.S. 502 (1917).

Carbice Corp. v. American Patents Corp., 283 U.S. 27, 8 USPQ 211 (1931); Motion Picture Patents Co. v. Universal Film Co., 243 U.S. 502 (1917).

"In Walker Process Equipment, Inc. v. Food Machinery & Chemical Corp., 382 U.S. 172, 147 USPQ 404 (1965), the defendant in an infringement action was permitted to counterclaim for treble damages under \$4 of the Clayron Act by asserting that the patent was invalid because procured or enforced with knowledge of fraud practiced on the Patent Office, "provided the other elements necessary to a (monopolization case under \$2 of the Sherman Act) are present." Id., at 174, 147 USPQ 48.5.

"See MacGregor v. Westinghouse Electric & Mig. Co., 329 U.S. 402, 407, 72 USPQ 21, 23 (1947); Katzinger Co. v. Chicago Metallic Mfg. Co., 329 U.S. 394, 398-401, 72 USPQ 18, 20-21 (1947); Scott Paper Co. v. Marcalus Mfg. Co., supra n. 40; Sola Electric Co. v. Jefferson Electric Co., 317 U.S. 173, 55 USPQ 379 (1942); Westinghouse Electric Mfg. Co. v. Formica Insulation Co., 266 U.S. 342 (1924); Pope Mfg. Co. v. Cormully, 144 U.S. 224, 234 (1892).

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ly individuals with enough economic to challenge the patentability of an s discovery." 395 U.S., at 670, 162 atent," 395 U.S., at 668, 162 USPQ at support in Sears and Compco and line of cases discussed above. 43 The ig royalties for the use of an idea as in reality a part of the public do-195 U.S., at 656, 162 USPQ at 3. ciple that "federal law requires that ng obstacles to suit by those disposed age the validity of a patent. 395 U.S., 68, 162 USPQ at 5-7. Moreover, as was rooted in the second line cases hat licensee estoppel was no longer ion good unless they are protected by ns that patent licensees "may often in general circulation be dedicated to erms ago in Lear, Inc. v. Adkins, we nt royalties the licensee of a patent is ine that in a contract action for unfrom proving "that his licensor was earlier, we relied on practical conlines of authority to abrogate

r have successfully litigated the patually paid are an unjust increment to ed infringer's costs. Those payments suit against another party, any royoncern that Triplett prompts alleged licensor sues for unpaid royalties. less, if the claims are in fact invalid itigate validity, secure in the knowland cease paying when y declared invalid rather than to rs to pay royalties on o be sure, Lear obviates to some exat a competitive disadvantage vis-aalleged infringers who can afford to identical to those invalidated in a to accept a license, pay royalties for threatened. Lear permits an accused invalidity may be urged when the costly litigation when infringement hnancially patents

aps assuring that he will never be in ured holdings that the patent is in-tting the profitability of his business mpete with other manufacturers who n the other hand, the manufacturer nas several economic consequences may absorb the royalty costs in oralleged infringer who cannot afford secured a judicial holding that the position to challenge the patent in

527-528; see also Beckman Instruments, chnical Development Corp., 433 F.2d 55, 7 USPQ 10, 13-14 (CA7 1970); Kraly v. Distillers & Chemical Corp., 319 F.Supp. USPQ 51 (ND III. 1970). ears, supra, 376 U.S., at 229-231, 140

> entry of new firms-particularly small firms. permit invalid patents to serve almost as effeccoverable by those who in fact paid them. consumers are as a practical matter unreunder Lear when he is able to bear the cost of cause he is free of royalty payments, the mantively as would valid patents as barriers to the Beyond all of this, the rule of Triplett may leged infringer can escape royalty obligations tential for broader effect. And even if the alinitial ruling of invalidity had at least the powill pay higher prices for goods covered by the invalid patent than would be true had the who must pay royalties. Third, consumers below the levels set by those manufacturers tive levels absent the invalid patent, yet just may price his products higher than competiufacturer with a judgment against the patent would prevail in a competitive market. market share substantially, and he may do so litigation, any royalty payments passed on to without coming close to the price levels that patent is invalid may be able to increase his

sufficient answer to note that once it is deterestoppel has been abandoned. does not in fact seem to have been a problem completely the question of validity. And, this in the first action than it would be to relitigate was a full opportunity to determine that issue tical, it will be easier to decide whether there mined that the issue in both actions was idento litigate his claim in the first action. Moore & Currier, supra, at 309-310. It would seem to be estopped had a full and fair opportunity shift the focus of litigation from the merits of extent that they can be avoided, weigh in favor of modification of the Triplett mutuality principle. Arguably, however, the availability in other contexts, where strict mutuality the dispute to the question whether the party of a patent previously held invalid will merely estoppel to one charged with infringement Economic consequences like these, to the

recover costs even as to the valid claims of his under which a patentee forfeits his right to § 285, which allows a court to award reasonable attorney's fees to a prevailing party "in exceptional cases," and 35 U.S.C. § 288, these provisions can operate until after litigabefore bringing suit, work to inhibit repeti-tious suits on invalid patents. But neither of patent if he does not disclaim invalid claims It has also been suggested that 35 U.S.C.

infringers into accepting licenses rather than litigating. If concern about such license agreements is proper, as our cases indicate that it motion for judgment on the pleadings or summary judgment. Fed. Rule Civ. Proc. 8(c), 12(c), and 56. is, the accused infringer should have available hrmatively an estoppel defense that can be pleaded af factor which undoubtedly forces many alleged try a lawsuit presenting validity issues is the tion has occurred, and the outlay required to and determined on a pretrial

Staff Report, supra. But, as we have sugspondents also urge that most of these 62 suits were settled without litigation. 1961 gested, this fact cuts both ways. alter their patent has been invalidated. Recating that some patentees sue more than once ing the same period. The same figures show that these 62 suits involved 27 patents, indipreviously held invalid, a figure comprising about 1% of the patent suits commenced durnated which involved relitigation of a patent imis. They rely on the figures presented in the 1961 Staff Committee Report: during the period 1948-1959, 62 federal suits were termiof the total amount of litigation in the federal courts, they tend to be of disproportionate length. Despite this, respondents urge that As the preceding discussion indicates, although patent trials are only a small portion the burden on the federal courts from relitigation of patents once held invalid is de min-

duction of same patent have come to our attention. 46 concerning suits begun after one declaration of comparison an incidental matter in considericant examples of repeated litigation of the of estoppel. More fundamentally, while the dicial time if even a few relatively lengthy nerence to the economic consequences of continued ad-Regardless of the magnitude of the figures, invalidity, although a number of recent, signifhave no comparable figures for the past decade tions about the actual amount of judicial time that will be saved under such a holding conment, they do not purport to hold that prediceffect of climination of the mutuality requirepatent suits may be fairly disposed of on pleas trols decision of that question. Of course, we cases do discuss reduction in dockets as an tion of these figures as de minimis, it is clear that abrogation of Triplett will save some ju-Even accepting respondent's characteriza-Triplett are serious and any relitigation in this context is

ing whether to abrogate the mutuality requirement.

and fair to impose an estoppel against a party ing with questions of when it is appropriate there has been a corresponding development of the lower courts' ability and facility in dealof mutuality. In accordance with this trend. tended to depart from the rigid requirements who has already litigated an issue once and lost. As one commentator has stated: It is clear that judicial decisions have

as it was written: a shining landmark of progress in justice and law administration." Currie, supra, 53 Cal. L. Rev., at configurations and of actual human controversies, disposed of in the common-law tradition by competent courts, far more than the commentaries of academicians, leaves the decisions revealed for what it is, thor. The abrasive action of new factual proved its merit and the mettle of its audevelopments, the Bernhard decision "Under the tests of time and subsequent

a plea of estoppel by one facing a charge of out of place. Thus, we conclude that Triplett should be overruled to the extent it forecloses granted, it is apparent that the uncritical acbeyond the scope of the patent monopoly considered in the light of our consistent view declared invalid. infringement of a patent that has once been ceptance of the principle of mutuality of es-toppel expressed in Triplett v. Lowell is today idea that is not in fact patentable or that is allowed to exact royalties for the use of an lated from the assertion of defenses and thus that the holder of a patent should not be insu--last presented in Lear, Inc. v. Adkins-[5] When these judicial developments are

its pleadings in the District Court to assert a plea of estoppel. Respondent must then be tunity to challenge the appropriateness of such a plea on the grounds set forth in Part III A of this opinion. Therefore, given the argue, if he can, why the imposition of an estoppel would be inappropriate. Because of are affirmative defenses that must be pleaded. Fed. Rule Civ. Proc. 8(c). The purpose of case. Petitioner should be allowed to amend estoppel and respondent never had an opporsuch pleading is to give the opposing party notice of the plea of estoppel and a chance to permitted to amend its pleadings, and to suppartial overruling of Triplett, we remand the Friplett v. Lowell, petitioner did not plead [6] Res judicata and collateral estoppel

court can find no reasonable argument for validity. See Tidewater Patent Development Co. v. Kitchen, 371 F.2d 1004, 1013, 152 USPQ 36, 43 (CA4 1967); Dole Valve Co. v. Perfection Bar Equipment, Inc., 318 F.Supp. 122, 167 USPQ 445 (ND in 1970). "Including, apparently, a suit on a patent previously held invalid and as to which the second III. 1970)

⁴³ See nn. 31-33, supra, and accompanying text.
⁴⁵ See, e.g., cases cited n. 5, supra; Brief for Peritioner, B-T, pp. 13-14; Brief for the United States as amicus curiae, pp. 28 and 32, n. 12

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n this case. The judgment of the Court rals is vacated and the cause is reent the record. In taking this action, nate no views on the other issues pree. If necessary, petitioner may also consistent with this opinion. to the District Court for further proan estoppel should not be imposed in the record with any evidence show-

reme Court of the United States

KAR INDUSTRIES, INC. v. BISSETT-BERMAN CORP.

463 Decided May 3, 1971

on below: 168 USPQ 71. on for writ of certiorari to Court of for the Ninth Circuit denied.

reme Court of the United States

HEMICAL CLEANING, INC., et al. v. Dow CHEMICAL Co.

Decided May 3, 1971

on for writ of certiorari to Court of for the Fifth Circuit denied.
on below: 167 USPQ 513 (Pat. No. 5).

urt of Appeals, Second Circuit

PAINTON & COMPANY, LTD. ج. BOURNS, INC.

Decided Apr. 27, 1971

e secrets - Discovery by fair or fair means (§68.909) R COMPETITION

all others are free, as licensee previsecret license binds no one except

> out what the secret is and, if they succeed, to ously was, to attempt by fair means to figure practice it.

PATENTS

Use and sale — Extent and character of use (\$69.5)

Public use or sale may be found even though inventor contracted for secrecy by user or practiced invention solely for his own

UNFAIR COMPETITION

3. Trade secrets — In general (§68.901)

all ideas must be put in general circulation ments at least with respect to cases where no did not suggest that federal law requires that thereby forfeit his right to a patent; free to do so, though in so doing he may governing inventions for which patent appli-cations have been filed, there is no sugges-USPQ 1, may be with respect to agreements patent application has been filed; whatever impact of Lear v. Adkins, 395 U.S. 653, 162 principle that inventor who chooses to exthe royalty provisions of trade secret agreeor patent law for declining to enforce even ploit invention by private arrangements is ion that court intended to cast doubt on There is insufficient basis in public policy

PATENTS

4. Estoppel — As to validity — sor or licensee (§35.156) Licen-

contesting its validity and could recover only 1, held that courts may not enforce royalty agreement with respect to invention embodied in American patent while licensee was when, as, Lear v. Adkins, 395 U.S. 653, 162 USPQ and if validity was established

J.; 164 USPQ 595.
Action by Painton & Company, Ltd... Appeals from District Court Southern District of New York, for the Motley,

as to rights under contract in which defend-ant counterclaims for declaratory judgment as to such rights and for an injunction. From appeal. Reversed summary judgment for plaintiff, both parties against Bourns, Inc., for declaratory judgment

DICKERMAN WILLIAMS (BAKER, NELSON, WILLIAMS & MITCHELL and JOHN P. DEL-LERA of counsel) all of New York, N. Y.,

for plaintift.

CLYDE F. WILLIAN, Chicago, Ill. (HUME, Trans & Tee. LTD., Roy E. CLEMENT, HUME & LEE, LTD., ROY E. HOFER, and ROBERT L. HARMON, all of

Chicago, Ill., and William C. Conner and Curtis, Morris & Safford, both of New York, N. Y., of counsel) for defend-

ROGER M. MILGRIM (MILGRIM, THOMAJAN N. Y., amici curiae. JACOBS of counsel) both of New York,

EDWARD HALLE (ROBERT S. DUNHAM, BERT A. COLLISON, PAULINE NEWMAN, and ROBERT J. SANDERS, JR., of counsel) all of New York, N. Y., for New York Patent Law Association, amicus curiae.

Before Waterman and FRIENDLY, Circuit Judges, and McLEAN, District Judge.*

FRIENDLY, Circuit Judge.

jurisdiction was based on diverse citizenship, 28 U.S.C. § 1332 (a) (2), is a British corporation engaged in the manufacture and sale of electronic components. Defendant Bourns, Inc., a California corporation, having lating to electronic circuit components known as potentiometers, which was supplied by Bourns under an agreement that has expired. so engaged. The controversy concerns Painits principal place of husiness in that state but doing business in New York, is likewise ton's continued right to use information, reern District of New York, in which federal this action in the District Court for the South-Painton & Company, Ltd., plaintiff in

turing services and techniques necessary to enable Painton to manufacture lead screw actuated linear motion potentiometers. The products covered by the agreement, which excluded Flatpot, on a scale descending from confidential basis, engineering and manufacto 25% in the sixth and thereafter. If these were insufficient to accrue fees of \$5,000 5% of the net selling prices in the first year modify it Painton was to pay fees on six months notice, elected to terminate years and thereafter until either party, on agreement was to continue for a term of eight Bourns contracted to furnish Painton, on a vanced potentiometers, including one known as Trimpot. In August 1958 the two compot. Bourns had been developing, manufacno provision for post-termination payments the agreement on 60 days notice. There was in any two-year period, Bourns could cancel panies entered into an agreement whereby turing, and selling more technologically adfacturing and selling a lead screw actuated linear motion potentiometer known as Flat-Painton had developed and had been manu-

of New York, sitting by designation * Of the District Court for the Southern District

> "due and payable or becoming due prior to the date of such termination," and the agreeby Painton, other than for those which were nation rights to use the information supplied ment was silent with respect to its post-termi-

fee was to be 31/8 of the net selling prices except that on Flatpot there was a sliding scale ranging downward from 4% in the first year to 21/8 in the fourth and thereafter. other provisions, but this summary is suffiin the 1960 agreement. There were many ment, all of Europe, Australasia and Africa ern Europe and Australia in the 1958 agreeseded by another which included, in addition an exclusive right to manufacture and was silent with respect to its post-termination in any two-year period. Again there was no provision for post-termination payments by Painton, other than for those specified in the agreement, the term was for eight years and the covered products in certain areas—Westrights. Under both agreements Painton had thereafter until either party, on six months worm gear potentiometers. As in the 1958 1958 agreement; and again the agreement for failure to accrue minimum fees of \$5,000 There was the same clause as to termination notice, elected to terminate or modify. The 1960 the earlier agreement was supersell

marketing, or distributing its products in Europe, Australasia, and Africa in violation of the 1960 agreement. There ensued an portant to the present controversy were in detail, culminated in a new agreement dated November 1, 1962. Its provisions immeetings looking toward the execution extensive exchange of correspondence and action and subsequently ... From selling, related matter to enjoin Bourns from selling, to it by Bourns. Painton retained American cient for present purposes. On March 25, 1962, Bourns sent a letter The negotiations, which we shall later discuss a new agreement more satisfactory to Bourns. counsel who challenged the validity of Bourns' payments—within the time required—for purportedly terminating the agreement as revised in 1960 for failure by Painton to make materials, supplies, and completed units sent ಲ್ಲ

parts, or materials. leased except for amounts owing to Bourns from fees or from the sale of products, celed and all claims under them were reagreements not here relevant, were canagreements, save several separate sales a) Paragraphs 1 and 2. All previous

fore, or hereafter during the term of this the agreement were "[a]ll models heretob) Paragraph 3. The products subject to

(Cite as: 480 F.2d 1364)



United States Court of Customs and Patent Appeals.

Application of Hector Alfons Vanden EYNDE et al.

Patent Appeal No. 8934.

July 19, 1973.

Appeal from a decision of the Patent Office Board of Appeals, Serial No. 471,437, sustaining rejection of claims 16-21 of application for patent as based on a specification which failed to satisfy requirements of specification statute. The Court of Customs and Patent Appeals, Lane, J., held that Board should have permitted evidence which was advanced in rebuttal of Board's newly advanced position, and that specification was not insufficient for failure to teach how to use the pyrazoline-one color couplers.

Case remanded.

West Headnotes

[1] Patents **©=**101(5)

291k101(5) Most Cited Cases

Statutory requirement of specificity in relation to patent application is fulfilled where one possessed of the knowledge had by one skilled in the art could use the invention given the specification disclosure without undue experimentation. 35 U.S.C.A. § 112.

[2] Patents 101(5)

291k101(5) Most Cited Cases

[2] Patents €=104

291k104 Most Cited Cases

A patent applicant may offer evidence, such as patents and publications, to show the knowledge possessed by those skilled in the art and thereby establish that a given specification disclosure is enabling; in such a situation it is the knowledge possessed by those skilled in the art as of the filing date that is of relevance. 35 U.S.C.A. § 112.

[3] Patents (==101(5)

291k101(5) Most Cited Cases (Formerly 291k1101(5))

[3] Patents •=104

291k104 Most Cited Cases

When a patent examiner initially turns to an application he may properly lodge a rejection of a claim as based upon a specification which is not in compliance with specification statute, if it appears reasonable to conclude that one skilled

in the art would have been unable to use the invention at the time the application was filed, and when that conclusion is reasonable the burden is on the applicant to rebut it if he can. 35 U.S.C.A. § 112.

[4] Patents €=104

291k104 Most Cited Cases

A patent applicant must be permitted to respond to a position assumed by patent examiner or by the Patent Office Board of Appeals, but the response must be timely; if an applicant fails to challenge the examiner's conclusion regarding enablement, or failsto do so in timely fashion, the rejection stands. 35 U.S.C.A. § 112.

[5] Patents 6-104

291k104 Most Cited Cases

Evidence submitted by patent applicant in response to a rejection on grounds set forth in specification statute is not timely at any point during prosecution because the examiner or Board of Patent Appeals could have located such evidence; it is the applicant's responsibility to prove in timely fashion that a prima facie reasonable conclusion of nonenablement is in fact unreasonable in view of the state of the art. 35 U.S.C.A. § 112.

[6] Evidence €=19

157k19 Most Cited Cases

Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and are not amenable to the taking of judicial or administrative notice.

[7] Patents 104

291k104 Most Cited Cases

Where Board of Patent Appeals advances a position or rationale new to the proceedings, as it is empowered to do, applicant for patent must be afforded an opportunity to respond to that position or rationale by the submission of contradicting evidence, and refusal of the Board to consider evidence which responds to such a new rationale is error.

[8] Patents €==104

291k104 Most Cited Cases

Position of Board of Patent Appeals as to role of certain reference, consisting of a treatise on photographic chemistry, in establishing state of the art was not itself a new rationale which justified the submission of additional evidence by applicants for patent, where the Board originally decided the appeal on the record before it, and where the certain reference was the only reference material which applicant had offered up to that point, so that Board did not err in refusing to consider later-filed evidence on

(Cite as: 480 F.2d 1364)

that issue.

[9] Patents €>104 291k104 Most Cited Cases

Where Patent Office Board of Appeals clearly went off on its own in considering differences between reaction environment set forth in reference of applicants for patent and reaction environment of another patent, and where applicants offered evidence allegedly showing prior art use of the other patent conditions in hydrazine-to-color coupler reactions, applicants might have convinced Board, by demonstrating that both the reference and the patent reaction conditions were known prior to filing, that at time of filing one skilled in the art would not have had reason to doubt the efficacy of the environment set forth in the reference, and Board should not have refused to consider that evidence in rebuttal of Board's newly advanced position.

[10] Patents €=101(8) 291k101(8) Most Cited Cases

[10] Patents €=104

291k104 Most Cited Cases

Where color couplers were, in general, unquestionably well-known materials, and utility for color couplers per se did not have to be separately established, applicants for patent entitled "Fluoro-Alkylhydrazines and Process for the Preparation Thereof." did not have to demonstrate how to use the color couplers, and Board of Patent Appeals erred to the extent that it agreed with examiner that specification of applicants was insufficient for failure to teach how to use the pyrazoline-one color couplers. 35 U.S.C.A. § 112.

Patents €=328(2)

291k328(2) Most Cited Cases

3,462,270. Cited.

*1365 Alfred W. Breiner, Arlington, Va., attorney of record, for appellants.

*1366 S. Wm. Cochran, Washington, D. C., for the Commissioner of Patents. Raymond E. Martin, Robert D. Edmonds, Washington, D. C., of counsel.

Before MARKEY, Chief Judge, RICH, BALDWIN and LANE, Judges, and ALMOND, Senior Judge.

LANE, Judge.

This appeal is from the decision of the Patent Office Board of Appeals, adhered to on reconsideration, sustaining the rejection of claims 16-21 of appellants' application [FN1] as based on a specification which fails to satisfy the

requirements of the first paragraph of 35 U.S.C. § 112. We remand this case to the board for the reasons and purposes hereafter set forth. The most difficult aspect of this appeal is the determination of the propriety of the board's refusal to consider certain patents and publications submitted by appellants subsequent to the board's original decision as an accompaniment to a request for reconsideration. To fairly explain the issues before us and our resolution of them, we initially recount the positions of the principals as developed below.

FN1. Serial No. 471,437 filed July 12, 1965, entitled "Fluoro- Alkylhydrazines and Process for the Preparation Thereof."

THE PROCEEDINGS BELOW

The Invention

The claims on appeal are all chemical compound claims. Claim 16 defines the genus and reads as follows:

16. A fluoro-alkyl hydrazine corresponding to the following formula:

(X-CF sub2) subn -CH-NH-NH sub2

R

wherein:

X is a member of the group consisting of a hydrogen atom and a fluorine atom,

R is a member of the group consisting of a hydrogen atom, lower alkyl or phenyl, and

n is a positive integer from 1 to 25 inclusive.

The specification characterizes the invention as relating to "new fluoro- alkylhydrazines" and "[m]ore particularly," "a process for the preparation thereof." Indeed the specification for the most part discusses the manner of making the claimed compounds. As for utility, the specification states the following:

The fluoro-alkyl hydrazines according to the present invention are important starting materials for the synthesis of several organic compounds such as 1-fluoroalkyl-2-pyrazoline-5-one colour couplers, which form magenta azomethine dyes on colour development of exposed light-sensitive silver halide materials with aromatic primary amines.

Proceedings Before The Examiner

That statement of utility was the focus of the examiner's rejection of the claims first under both sections 101 and 112, and later under section 112 alone. The examiner considered the statement "vague and indefinite," and generally regarded it as insufficient to teach one skilled in the art how to use the claimed invention. The examiner questioned the manner in which the claimed hydrazines could be converted to color couplers and the manner in which the so-formed couplers

(Cite as: 480 F.2d 1364)

could be used to yield magenta dyes on color development.

Appellants contended that one skilled in the relevant art would have been able to make color couplers from the hydrazines and would have known how to use the couplers in color development. Appellants generally argued that the utility requirements and all disclosure requirements of the patent laws were satisfied.

At one point during prosecution, appellants introduced a page of a treatise on photographic chemistry by Glafkide, [FN2] *1367 the relevant portion of which reads as follows:

FN2. Glafkide, *Photographic Chemistry*, vol. II, page 601, Fountain Press (London 1960).

(d) Pyrazolines. These magenta couplers with the structure

films.

The pyrazolones are prepared by hot condensation of a phenylhydrazine Ar-NH-NH sub2 with a keto compound such as acetoacetic ester CH sub3 -CO-CH sub2 -CO-O-C sub2 H sub5 in the presence of water and alcohol. They are insoluble in water, but soluble in caustic soda. Their sulphonated derivatives are soluble.

The simplest coupler is 1-phenyl-3-methyl-5-pyrazolone. The aryl sulphonated compound is prepared from sulphophenylhydrazine. With diethyl-p-phenylene diamine, a magenta dye is obtained with the formula:

coupling, the keto group -CO-CH sub2 - is isomerized to the enol form- C(OH)< CH-.

Appellants stated that:

[Glafkide] teaches the "classical" method of producing magenta color couplers with a pyrazolone structure by means of the hot condensation of a hydrazine with a carbonyl containing compound such as a substituted acetoacetic ester. Thus, the method of converting the fluoroalkyl hydrazine of the present invention to 1-fluoroalkyl-2-pyrazoline-5-one color couplers is well known in the art.

The examiner first commented on Glafkide in his Answer stating:

The Glafkide publication does disclose the reaction of a *phenylhydrazine* with a keto compound to give a pyrazolone which then couples a primary aromatic amine to give a magenta azomethane compound, but the *instant* hydrazines are not *phenylhydrazines* and there is no assurance that the instant hydrazine would so react or what the reaction conditions would be. [Emphasis in original.]

The examiner continued to hold that the specification disclosure of utility is insufficient, although he limited the basis of the rejection to the first paragraph of § 112.

In a reply brief following the Examiner's Answer, appellants expressly acknowledged the examiner's comment regarding the Glafkide publication. Appellants argued:

This statement would have greater significance if not for the expressed and implied indication by appellants that the conditions used with a phenylhydrazine when applied to the fluoroalkyl-hydrazines will result in a useful product.

Proceedings Before The Board

The board quoted the statement of utility appearing in appellants' specification and phrased the appellants' position as follows:

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It appears to be appellants' view that, in the light of the Glafkide publication, one having ordinary skill in the art would know how to use the claimed compounds as starting materials to produce the 1-fluoroalkyl-2-pyrazoline-5-one compounds, and furthermore would know how to employ the latter for the suggested purpose in photographic emulsions, all without further disclosure than that quoted above.

*1368 The board agreed with the examiner's view of Glafkide stating:

We note * * * that the starting hydrazines and compounds produced by the Glafkide publication are different from those which would be employed and produced according to appellants' suggestion, in that they have aryl groups in place of the fluoroalkyl groups. We do not find that one skilled in the art would be able to predict with certainty that the fluoroalkyl compounds would react identically and under the same conditions as the aryl compounds of Glafkide, nor is there evidence in the record that they in fact do so.

In support of this conclusion the board made reference to a patent [FN3] (hereafter the Eynde patent) issued on an application [FN4] (hereafter the Eynde application) filed by appellants on July 14, 1965, two days subsequent to the filing date of the application involved in this appeal. The Eynde patent discloses in detail the manner of using the fluoroalkyl hydrazines to form color couplers and the use of such couplers in color development.

FN3. U.S. Patent No. 3,462,270 issued August 19, 1969.

FN4. Serial No. 472,017.

It was presumably intended that the Eynde application be filed concurrently with the present application, and the present specification as originally filed made express reference to the Eynde application for a disclosure of the preparation of color couplers. However, the Eynde application was filed later for one reason or another, and reference thereto was deleted from the present application. The board was therefore aware of the Eynde patent which matured from the Eynde application and of the fact that appellants contemplated the methods disclosed therein as the means for converting the fluoroalkyl hydrazines to color couplers.

The board held as follows:

We note that in * * * [the Eynde patent] the conditions actually used are not the same as in the publication. The patent in all cases conducts the reaction in the presence of acetic acid; the reference employs a hot condensation in the presence of water and alcohol. It therefore is not even apparent from the record before us that the claimed compounds can in fact be used in the same manner as the

known compounds of Glafkide * * *. Nor do we find that it would have been obvious that the fluoroalkyl pyrazoline-5-one compounds would be usable in the same manner in photographic compositions. * * * At the most, it might appear "obvious to try" the reactions and conditions indicated by the Glafkide publication upon appellants' novel hydrazine compounds, but this does not appear to be the standard by which sufficiency of disclosure under the first paragraph of 35 U.S.C. 112 is determined. We will therefore sustain the rejection for lack of sufficient disclosure of how to use the compounds.

We observe at this point that the examiner had not based his conclusions on the differences between the Eynde patent reaction environment and that disclosed in Glafkide. That was clearly a rationale new to the proceedings. We cannot ascertain the extent to which the board's rationale influenced its affirmance. For example, we do not know whether the board considered it an alternative basis for affirmance or whether the board regarded it is providing essential support to the examiner's reasoning.

Appellants filed a request for reconsideration of the decision of the board accompanied by a number of patent and publication references offered for the purpose of demonstrating the knowledge possessed by those skilled in the art. The board noted that the references were not "urged upon [it] in the brief," and since the references were not of record prior to the board's original decision, the board refused to consider them. *1369 The board adhered to its original decision.

In response to the board's refusal to consider the reference material, appellants contended that the board erred in its assessment of appellants' position, noted above, to the effect that "in the light of the Glafkide publication," one skilled in the art would have known how to use the claimed compounds. Appellants justified the submission of additional reference material as follows:

Appellants asserted and assert that having the teaching of the specification, one skilled in the art of photographic chemistry would be able to employ the invention in light of the disclosure of utility at page 3 of appellants' specification. The Glafkide reference was referred to as being exemplary of what was known and available to the skilled photographic chemist. It was not intended to be a summary of the only knowledge known and available to the skilled photographic chemist. Appellants, in their Petition for Reconsideration, referred to the numerous other patents and publication[s] to clearly establish the host of art in this area. This is art which was available to the Examiner in the Patent Office and to the Board of Appeals to determine what knowledge was available to a skilled photographic chemist. This art could have been obtained merely by calling an examiner in Group 160, the

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art unit responsible for examining photographic cases.

An applicant is presumed to have all prior art before him at the time he makes an invention. It is submitted that it is not too much for an applicant to ask that the examiner and the Board of Appeals be held to the same standard, with it being presumed that all the pertinent art was available to the Examiner. [Emphasis in original.]

The Positions of the Parties on Appeal

The solicitor states that the rejection here involved is based on the "how-to- use" requirement of the first paragraph of section 112. It is emphasized to the court that the truth of the assertions that the fluoroalkyl hydrazines can be converted to pyrazoline-one color couplers and that such color couplers function in the manner described in the specification is not here questioned. Rather, the gist of the rejection is said to be that one skilled in the art would not have known how to so utilize the claimed compounds, at least in the absence of probative evidence to the contrary.

The solicitor urges that the board correctly refused to consider the reference material submitted after its decision. He observes that the board agreed with the examiner that Glafkide is insufficient since directed to *phenyl*hydrazines, and he argues that none of the references subsequently filed bears directly on the additional point raised by the board respecting the differences between the Glafkide and Eynde patent reaction environment conditions. The solicitor concludes that the board made no new factual assumptions the rebuttal of which might justify considering additional reference material.

Appellants contend that the claimed compounds have utility and that one skilled in the art would know how to use them given the specification statement of utility. Appellants additionally contend that Glafkide demonstrates the manner in which the claimed compounds can be used. They argue that as a matter of fact, the phenyl portion of the Glafkide structure, like the fluoroalkyl group of their own compound, is not involved in the pyrazoline-one-forming reaction.

Appellants assert that in any event the additional reference material clearly establishes that at the time the present application was filed, the level of skill in the pertinent art was such that the manner of using the compounds would have been apparent. It is appellants' position that a "new rationale" of the board prompted the submission of that material and that In re Moore, 444 F.2d 572, 58 CCPA 1340, 170 USPQ 260 (1971) is authority for the proposition that the *1370 board should have considered it. Alternatively, they ask this court to take judicial notice of those prior patents and publications.

OPINION

The "How-to-Use" Requirement

[1][2] We accept the solicitor's view that the rejection before us is based solely on the "how-to-use" requirement of § 112. The first paragraph of § 112 requires in pertinent part that:

The specification shall contain a written description * * * of the manner and process of * * * using * * * [the invention] in such full, clear, concise, and exact terms as to enable any person skilled in the art * * * to * * * use the same * * *.

That statutory requirement is fulfilled where one possessed of the knowledge had by one skilled in the art could use the invention given the specification disclosure without undue experimentation. A patent applicant may offer evidence, such as patents and publications, to show the knowledge possessed by those skilled in the art and thereby establish that a given specification disclosure is enabling. See, e. g., Martin v. Johnson, 454 F.2d 746, 59 CCPA - (1972). In such a situation, it is the knowledge possessed by those skilled in the art as of the filing date that is of relevance. See Tummers v. Kleimack, 455 F.2d 566, 568, 59 CCPA -, - (1972).

- [3] When an examiner initially turns to an application, he may properly lodge a rejection of a claim as based upon a specification which is not in compliance with § 112, first paragraph, if it appears reasonable to conclude that one skilled in the art would have been unable to use the invention at the time the application was filed. When that conclusion is reasonable, the burden is on to the applicant to rebut it, if he can, such as by offering evidence as discussed above. See, e. g., In re Gardner, 475 F.2d 1389 (CCPA 1973).
- [4] It is clear that an applicant must be permitted to respond to a position assumed by the examiner or the board. However, the response must be timely. If an applicant fails to challenge the examiner's conclusion regarding enablement, or fails to do so timely, the rejection stands.
- [5][6] We reject the contention advanced by appellants that evidence submitted by an applicant in response to a § 112 rejection is timely at any point during prosecution because the examiner or board could have located it. We adhere to the view that it is the applicant's responsibility to prove that a prima facie reasonable conclusion of nonenablement is in fact unreasonable in view of the state of the art. Orderly and logical examining procedure compels that view. Moreover, we reject the notion that judicial or administrative notice may be taken of the state of the art. The facts constituting the state of theart are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of such notice. If evidence of the knowledge possessed by those skilled in the art is to be

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properly considered, it must be timely injected into the proceedings.

[7] We do agree with appellants that where the board advances a position or rationale new to the proceedings, as it is empowered to do and quite capable of doing, the appellant must be afforded an opportunity to respond to that position or rationale by the submission of contradicting evidence. This court so held in In re Moore, supra, and we expressly reaffirm that view. The board's refusal to consider evidence which responds to such a new rationale is error.

The Board's Refusal to Consider the Evidence in This Case

Appellants in this case strenuously and primarily asserted that the board misconstrued the import of the submission of the Glafkide reference during prosecution before the examiner. They *1371 argued that the board treated Glafkide as the only evidence of the state of the art whereas they intended it as merely exemplary of many patents and publications in the field of photographic chemistry. In appellants' view, the position of the board as to the role of Glafkide in establishing the state of the art was itself a new rationale which justified the submission of additional evidence.

Appellants' contention is untenable. The board originally decided the appeal on the record before it. Glafkide was the only reference material which appellants had offered to that point.

- [8] In discussing the submitted material in the request for reconsideration, appellants pointed to disclosures which allegedly tend to support the view that those skilled in the art would have considered the reaction of a phenylhydrazine to form a pyrazoline color coupler to be directly applicable to the conversion of a fluoroalkyl hydrazine contrary to the examiner's and board's belief. Appellants were confronted with this argument in the Examiner's Answer and expressly acknowledged it, and attempted to answer it, in a reply brief. If there is evidence to support their position, appellants should have presented it at that point. The board did not raise that issue, and we agree with the solicitor that there is no basis in the board's decision for a justification for the submission of evidence on that issue after the board's decision. The board did not err in refusing to consider the laterfiled evidence to that extent.
- [9] However, the board clearly went off on its own in considering the differences between the Glafkide reaction environment and the Eynde patent reaction environment. Appellants offered evidence allegedly showing the prior art use of the Eynde patent conditions in hydrazine-to-color coupler reactions. By demonstrating that both the Glafkide and Eynde patent reaction conditions were known prior to filing, appellants might have convinced the board that at the

time of filing, one skilled in the art would not have had reason to doubt the efficacy of the Glafkide environment. We disagree with the solicitor's analysis of the evidence offered on this point, and we conclude that the board did commit error in refusing to consider that evidence in rebuttal of the board's newly advanced position.

The Manner of Using the Color Couplers

[10] Thus far in our opinion we have not mentioned the board's findings with respect to the manner of using the color couplers. We agree that in order for the specification to be enabling in the sense of § 112, one skilled in the art would have to have been able to use the claimed hydrazines in the manner asserted in the specification, i. e., as a starting material for the synthesis of color couplers. However, color couplers are, in general, unquestionably well known materials, and utility for color couplers per se need not be separately established. We accordingly see no necessity for appellants to demonstrate how to use the color couplers. Given that the claimed compounds are useful in the manufacture of products having known utility, appellants' specification is sufficient if it enables one skilled in the art to make those products. We accordingly hold that the board was also in error to the extent that it agreed with the examiner that the specification is insufficient for failure to teach how to use the pyrazoline-one color couplers.

The Remand

We have made two findings of error which seriously undermine the decision of the board. We have found that the board erroneously refused to consider evidence allegedly bearing on its new rationale and that it erroneously regarded inquiry into the manner of using products obtained by reaction of the claimed compounds as proper. We remand this case to the board for action not inconsistent with these findings or this opinion in general.

Remanded.

480 F.2d 1364, 178 U.S.P.Q. 470

END OF DOCUMENT

of its September 1993 overpayment is afcourt's denial of UPRC's request for refund to that effect is reversed. The district stripper well premium prices. The judgment UPRC is not liable for overcharges on the Arch Unit oil sold by Sun and Coastal at

VERSED IN PART. AFFIRMED IN PART AND RE



INCORPORATED, Plaintiff-Appellant, TEXAS INSTRUMENTS

CYPRESS SEMICONDUCTOR CORPO-RATION, LSI Logic Corporation, and VLSI Technology, Inc., Defendants-Ap-

No. 96-1003.

United States Court of Appeals, Federal Circuit

July 19, 1996

doctrine of equivalents; and (3) determination fringed; (2) patents were not infringed under held that: (1) patents were not literally in-The Court of Appeals, Lourie, Circuit Judge, favor of competitors, and patentee appealed. Barefoot Sanders, J., entered judgment in Court for the Northern District of Texas, nents in plastic. The United States District process of encapsulating electronic compoitors, alleging infringement of its patents for was affirmed by Court of Appeals, did not by International Trade Commission (ITC) infringement action. have collateral estoppel effect in subsequent that two patent claims were infringed, which Patentee brought action against compet-

Affirmed.

Federal Courts \$\infty 776

SUMMARY

cision de novo by reapplying JMOL stan-Court of Appeals reviews district court's deter of law (JMOL) in case tried to jury, dard. Fed.Rules Civ.Proc.Rule 50(a)(1), 28 U.S.C.A. When party moves for judgment as mat-

Federal Courts = 754.1, 846

factual disputes for substantial evidence. determine whether they were correct as matdards jury applied in reaching its verdict to ter of law, and reviews jury's resolution of all Court of Appeals reviews legal stan-

3. Patents \$\infty\$226.6

pared to allegedly infringing device or proscope; second, claims as construed or comtwo separate steps: first, court must construe law in order to establish their meaning and claims asserted to be infringed as matter of Patent infringement analysis requires

4. Patents @=226.6

vice or process must contain every limitation of asserted claim. To literally infringe patent, accused de-

Patents ≈ 237

under doctrine of equivalents if differences not literally infringe patent, it may infringe between claimed invention and accused device or process are insubstantial. Even if accused device or process does

6. Patents €=101(2)

to a "conductor," required conductors to be quiring semiconductor device to be connected lating electronic components in plastic, releads, not any element capable of conducting Claims in patent for process of encapsu-

See publication Words and Phrases for other judicial constructions and def-

7. Patents = 235(2)

connected to conductor that extended from process in which semiconductor device was there was no evidence that competitors used literally infringed by competitors' process; electronic components in plastic were not Patents for process of encapsulating

tended outside package after manufacture, as claimed in patent, or that die pad itself exrequired by claims. device for connection to external circuit, as TEXAS INSTRUMENTS v. CYPRESS SEMICONDUCTOR CORP. Cite is 90 F.3d 1558 (Fed. Cir. 1996)

presented generalized testimony as to overall competitors' process, it did not provide particularized testimony regarding equivalency similarity between patented process and

8. Patents = 235(2)

of plane formed by conductors. tached to die pad, was entirely on one side so that semiconductor device, when atcommon plane" was formed by conductors there was no evidence that "substantially used in competitors' processes were on capsulation process; although "conductors" not literally infringed by competitors' enconnections on "one side of said plane" was stantially common plane," with electrical "plurality of conductors arranged in a subtronic components in plastic, Claim in patent for encapsulating elecplane except for minor deviations, requiring

Patents ≈ 324.1

of equivalents. Fed.Rules Civ.Proc.Rule 50, tee's proof or argument concerning doctrine JMOL motion did not allege failure of patenof law (JMOL) motion, although preverdict purposes of postverdict judgment as matter doctrine of equivalents was preserved for Whether patent was infringed under

Patents \$\=237

ing of infringement under doctrine of equivasuch evidence is presented, to support findrespect to function, way, result test when vention of accused device or process, or with stantiality of differences between claimed intestimony and linking argument as to insublents; such evidence must be presented on imitation-by-limitation basis. Patentee must provide particularized

Patents \$\infty\$312(6)

patent infringement under doctrine of equivproduct or process will not suffice to prove larity between claims and accused infringer's Generalized testimony as to overall simi-

12. Patents ⇐=312(6)

doctrine of equivalents; although patentee ic components in plastic was infringed under patents for process of encapsulating electron-Evidence was sufficient to establish that

13. Administrative Law and Procedure

of claim limitations in dispute.

when agency acted in judicial capacity. be given preclusive effect in federal court Decision of administrative agency may

14. Administrative Law and Procedure

wise. impliedly, indicated that it intended othereffect when Congress, either expressly or pursuant to statute, cannot have preclusive Administrative agency decision, issued

Customs Duties \$\sim 22

effect in subsequent infringement action. of Appeals, did not have collateral estoppel U.S.C.A. § 1337. Tariff Act of 1930, § 337, as amended, Restatement (Second) of Judgment § 27; were infringed, which was affirmed by Court Commission (ITC) that two patent claims Determination by International Trade

as R. Jackson. Of counsel, was Timothy B. Pogue, Dallas, Texas, argued, for plaintiff Texas Instruments, Inc., of Dallas, Texas Dyk, Washington, D.C., and Jay C. Johnson, appellant. With him on the brief, was Thom-Kenneth R. Adamo, Jones, Day, Reavis &

Phoenix, Arizona, argued, for defendants/cross-appellants. With him on the Brown & Bain, P.A. cia A. Hubbard, and Shirley A. Kaufman New York City, and Daniel P. Quigley, Patrisel, were Paul H. Heller, Kenyon & Kenyon, brief, was Alan H. Blankenheimer. Of coun-C. Randall Bain, Brown & Bain, P.A.,

Circuit Judges. Before RICH, MAYER, and LOURIE,

LOURIE, Circuit Judge.

peals from the final judgment of the United States District Court for the Northern Dis-Texas Instruments Incorporated ("TI") ap-

of law to the defendants, Cypress Semicon-(N.D.Tex. Sept. 6, 1995). We affirm. infringe TI's patents. Texas Instruments and VLSI Technology, Inc., that they did not ductor Corporation, LSI Logic Corporation, trict of Texas granting judgment as a matter Inc. v. Cypress Semiconductor Corp., Civ. 3-90-CV1590-H, 1995 WL

tronic components in plastic. The '027 pataspects of a process for encapsulating elecent claims a transfer molding process for and 4,043,027. These patents claim different TI is the assignee of U.S. Patents 3,716,764

encapsulating a semiconductor device [40] also referred to as a semiconductor "die," in shown below, illustrates the claimed process. the whisker wires [52 and 54]. Figure 5, as cavity [64 and 66] from the device [40] and located on the opposite side of the mold cause the plastic is injected from a gate [88] whisker wires [52 and 54] are protected be-[10, 12, and 14] permit connection from the al leads [10, 12, and 14]. The metal leads connections between the device [40] and met-"whisker" wires, that provide the electrical the fine wires [52 and 54], referred to as plastic without damaging the device [40] or process, the device [40] and ş

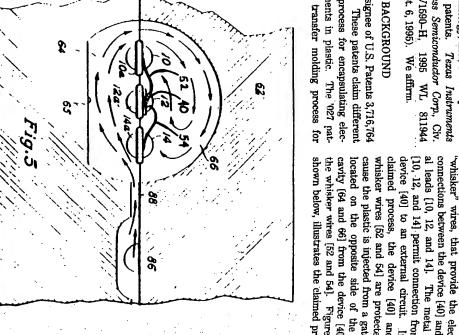


figure 5 and emphasis added, are at issue on Claims 12 and 14, with reference numbers to

electrically connecting each of the electriconductor device [40] comprising: cal terminals of the device [40] to a conductor [10 and 14] and mechanically attaching a portion of said device to at The process for encapsulating a semi-

> disposing the conductors [10, 12, and 14] least one of the conductors [12] for sup-

disposing the device [40] and a major porconnection [52 and 54] between the terminals and the conductors generally on tion of the means for making electrical generally in a common plane; one side of the plane;

> holding the ends of the conductors [10, 12, mote from the device [40] and the means against appreciable displacement by the ty, and the conductors will be secured nection means [52 and 54] at high velocigage the device [40] and electrical conwhereby the fluid will not directly enthe device to the conductors [52 and 54], electrically connecting the terminals of quently solidify and embed said device the other side of the plane [88] to subse-[64 and 66] while injecting a fluid insuand 14] extending from the mold cavity injected into a portion of the cavity re-[40], the fluid insulating material being lating material into the mold cavity on

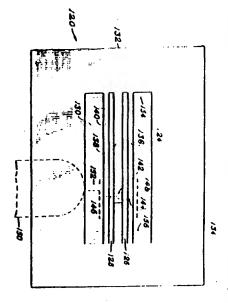
conductor device [40] comprising: A process for encapsulating a semi-

providing electrical connections [52 and 54 one side of said plane, [52 and 54] thereto being disposed common plane, said device [40] and the 12, and 14] arranged in a substantially vice and a plurality of conductors [10, between electrical terminals of the dethusly provided electrical connections 3

> disposing the device and portions of the conductors in a mold cavity [64 and 66],

the fluid insulating material being injected holding the conductors [10, 12, and 14] direct high velocity engagement between solidifying and embedding said device, electrical connections [52 and 54] therethe fluid and the device [40] and the site side of said plane [88] to preclude into the mold cavity for subsequently while injecting a fluid insulating material into a portion of the cavity on the oppo-

is encapsulated in plastic, the frame [132] is cess.1 After the semiconductor device [142] identical to that of the '027 patent and claims frame as used in the claimed process. as shown below, illustrates a metal device [142] during the transfer molding protor strips [136, 138, and 140] to support the device [142] to an external circuit. Figure 9 package in order to allow connection of the severed, the use of a lead frame [132] having conduc-[38, and 140] extending from the completed The '764 patent contains a specification leaving the conductor strips [136



at issue on appeal. Claim 16, with reference Claims 16, 17, and 19 of the '764 patent are

 The '764 patent issued from a division of an application filed December 16, 1963. The '027 the same application filed on December 16, 1963. A third patent, U.S. Patent 3,439,238, issued on April 15, 1969 from the initial Decempatent issued from a continuation of a division of

numbers to figure 9 and emphasis added, is

tor device resulting from the processes claimed in the '027 and '764 patents. The '238 patent is not at issue in these proceedings patent are directed to the improved semiconducber 16, 1963 application. The claims of the '238

- 16. A method for providing electrical connections to and encapsulating a semiconductor device [142] comprising the steps of:
- (a) providing a substantially flat metal ing to 10, 12, and 14 in figure 5)] which sheet [132] having recesses [124, 126 of the conductor strips [136, 138, and tral region of the assembly, a plurality side piece which is spaced from a cenleast one of their ends by at least one and which are joined together at at at least a major part of their lengths are spaced apart from one another for strips [136, 138, and 140 (correspondsheet [132] into a plurality of conductor 128, and 130] therein which divide the allel to one another for at least part of 140] extending from the side piece partheir lengths;
- (b) conductively connecting one face of a semiconductor wafer [148] to one of said conductor strips [188 (corresponding to 12 in figure 5)] in the central region;
- (c) conductively connecting electrodes on the opposite face of the wafer to conductor strips [136 and 140] at the central region by separate lead wires [144 and 146 (corresponding to 52 and 54 in figure 5)];
- (d) enclosing the central region of the assembly in plastic insulating material to surround the wafer and lead wires and parts of the conductor strips; and
- (e) severing the conductor strips at positions spaced from the central region to eliminate the remainder of the sheet [132] including the side piece.

Cypress Semiconductor Corporation, LSI Logic Corporation, and VLSI Technology, Inc. import and sell semiconductor devices. These devices are significantly more complicated than the devices shown in TI's patents due to advances in semiconductor technology. However, despite the advances in semicon-

- 2. Claims 17 and 19 depend from claim 16.
- 3. For a further discussion of the defendants' processes, see Texas Instruments Inc. v. United States

ductor technology, the defendants still encapsulate the devices using a transfer molding process.

fluid insulating material was injected into the mold cavity. The fluid was injected at a gate located on the opposite side of the lead frame patents in that the semiconductor device was the defendants employed a metal lead frame conductor strips via whisker wires. In the strips. The device was connected to the circuit. In addition, the die pad was situated ductor device for connection to an external outside the completed encapsulated semiconthe semiconductor device, but did not extend a conductor strip. attached to the lead frame at a "die pad," not strips extending from the completed package frame was severed, leaving the conductor whisker wires. After encapsulation, the lead device were placed in a mold cavity and a defendants' processes, the lead frame and the 10-15 mils below the lead frame's conductor that differed from the one shown in TI's from the semiconductor device and the for connection of the device to an external In the accused transfer molding processes, The die pad supported

of competition and unfair acts based on the under 19 U.S.C. § 1337 at the International and that claim 12 was infringed under the produced by processes purportedly covered by claims 1, 12, 14, and 17 of the '027 patent. importation and sale of encapsulated circuits these companies engaged in unfair methods semiconductor manufacturers, including all of Trade Commission ("ITC") against several tured abroad using any process covered by claims 12 and 14. In re Certain Plastic ALJ's decision, the Commission agreed with mined that claim 14 was literally infringed An administrative law judge ("ALJ") deterthe present defendants. TI alleged that from importing integrated circuits manufacexclusion order prohibiting the companies patent were infringed, and it issued a limited the ALJ that claims 12 and 14 of the '027 doctrine of equivalents. Upon review of the On July 9, 1990, TI initiated an action

International Trade Commission, 988 F.2d 1165, 1170, 26 USPQ2d 1018, 1022 (Fed.Cir.1993).

TEXAS INSTRUMENTS v. CYPRESS SEMICONDUCTOR CORP. Circ. 29 90 F.3d 1558 (Fed. Cir. 1996) thed Integrated Circuits, Inv. No. the ground that the jury failed to

Encapsulated Integrated Circuits, Inv. No. 337-TA-315, USITC Pub. No. 2574 (Nov. 1992). On appeal, we construed the claims de novo and held that substantial evidence supported the Commission's infringement findings. Accordingly, we affirmed the ITC's determination and exclusion order. Texas Instruments Inc. v. United States Intil Trade Comm'n, 988 F.2d 1165, 26 USPQ2d 1018 (Fed.Cir.1993).

equivalents. In addition, the jury awarded ment or infringement under the doctrine of that the defendants wilfully infringed claims ment of both the '027 and '764 patents. cured the semiconductor device to a "conduccould have found literal infringement of claim court determined that no reasonable jury reasonable royalty damages to TI of more than \$51 million. Despite the jury's verdict, not specify whether it found literal infringeing, TI sued the same companies in the a finding of infringement because TI failed to infringement of claim 14 of the '027 patent the court found that TI did not prove literal tor" as required by the claims. In addition 12 of the '027 patent and claim 16 of the '764 (N.D.Tex. Sept. 6, 1995). In particular, the No. 3-90-CV1590-H, 1995 WL 811944 set aside the verdict. Texas Instruments motion for judgment as a matter of law and the court granted, in part, the defendants 17, and 19 of the "764 patent. The jury did 12 and 14 of the '027 patent and claims 16, 17, 1995, the jury returned a verdict finding ter a 17-day trial that commenced on April Northern District of Texas, alleging infringeevent we reversed its judgment, granted a the defendants, the court conditionally, in the alternative to its grant of JMOL in favor of Siegler, Inc. v. Sealy Mattress Co., 873 F 2d argument as required by our holding in Lear provide particularized testimony and linking lents, the court held that it could not uphold infringement under the doctrine of equivaby the conductors during the process. As to vice entirely on one side of the plane formed the defendants placed the semiconductor debecause it failed to offer any evidence that patent because none of the defendants se-Inc. v. Cypress Semiconductor Corp., Civ. new trial on infringement and damages on 1422, 10 USPQ2d 1767 (Fed.Cir.1989). As an Contemporaneously with the ITC proceed-

the ground that the jury failed to meaningfully deliberate. TI appeals.

DISCUSSION

whole as might be accepted by a reasonable relevant evidence from the record taken as a 50(a)(1). We review the legal standards that that party on that issue." Fed.R.Civ.P. tiary basis for a reasonable jury to find for issue and there is no legally sufficient evidenwhen "a party has been fully heard on an matter of law against a party is appropriate 38 USPQ2d 1461 (1996). Judgment as a JMOL standard. Markman v. Westview Incourt's decision de novo by reapplying the case tried to a jury, we review the district der review." Perkin-Elmer Corp. v. Compumind as adequate to support the finding unevidence. Id. Substantial evidence is "such lution of all factual disputes for substantial matter of law. Markman, 52 F.3d at 975, 34 determine whether they were correct as a struments, Inc., 52 F.3d.967, 975, 34 USPQ2d 669, 673 (Fed.Cir.), cert. denied, 469 U.S. 857 tervision Corp., 732 F.2d 888, 893, 221 USPQ USPQ2d at 1326. We review the jury's resothe jury applied in reaching its verdict to U.S. ---, 116 S.Ct. 1384, 134 L.Ed.2d 1321, 1326 (Fed.Cir.1995) (in banc), affd, [1, 2] When a party moves for JMOL in a 577.

A. Infringement

105 S.Ct. 187, 83 L.Ed.2d 120 (1984).

infringe, it may infringe under the doctrine S.Ct. 1384, 1393, 134 L.Ed.2d 577, meaning and scope. Markman v. Westview two separate steps. First, the court must of equivalents if the differences between the cused device or process does not literally nord, Inc., 989 F.2d 1533, 1535, 19 USPQ2d process must contain every limitation of the asserted claim. See Laitram Corp. v. Rex-To literally infringe, the accused device or allegedly infringing device or process. claims as construed are compared to USPQ2d 1461, 1468 (1996). Second, Instruments, Inc., — U.S. as a matter of law in order to establish their construe the claims asserted to be infringed 1367, 1369 (Fed.Cir.1991). Even if the ac-[3-5] An infringement analysis requires ŧ ľd the జ

claimed invention and the accused device or 1995) (in banc) (per curiam), cert grant-1512, 1518, 35 USPQ2d 1641, 1645 (Fed.Cir. Chem. Co. v. Warner-Jenkinson Co., 62 F.3d process are "insubstantial." Hilton Davis L.Ed.2d 95 (1996). U.S. —, 116 S.Ct. 1014, 134

Literal Infringement

The "Connecting the Device to a Conductor" Limitation of Claim 12 of the '027 Patent and Claim 16 of the '764 Patent

clude "those portions of the [lead frame struments Inc. v. Cypress Semiconductor Corp., Civ. No. 3-90-CV1590-H, slip op. at words, [conductors] are leads." Texas Inassembly that extend from inside the packcourt construed the term "conductor" to inbe connected to a "conductor." 4 The district the '027 patent and claim 16 of the '764 ductor device to an external circuit. In other age to the outside, and connect the semiconpatent require the semiconductor device to misconstrued the term "conductor." In parpasses any element capable of conducting ticular, TI asserts that a "conductor" encom-1995). On appeal, TI argues that the court 10 n. 6, 1995 WL 811944 (N.D.Tex. Sept. 6, [6] Both parties agree that claim 12 of

connected to a lead.

the jury's verdict of infringement.

during the encapsulation process. In addistates that the "ends of the conductors ex-S.Ct. 1567, 134 L.Ed.2d 666 (1996). Claim 12 differently."), cert. denied, — U.S. —, 116 their ordinary meaning to one of skill in the 1577, 1580, 36 USPQ2d 1162, 1165 (Fed.Cir Quantum Corp. v. Rodime, PLC, 65 F.3d itself belies such a broad construction. broadly defines "conductor" as any substance of the conductor strips." Thus, both claims round the [semiconductor device] and parts assembly in plastic insulating material to surtion, claim 16 requires "enclosing the ... tend[] from the mold cavity" and are held art unless the inventor appeared to use them 1995) ("[T]he words of a claim will be given that conducts an electrical charge, the patent indicate that a "conductor" for purposes of We disagree. Although the dictionary

of the conductors for support." The process in attaching a portion of said device to at least one The process in claim 12 requires "mechanically

the invention extends beyond the plastic encapsulation. The specification further supoutside, and connect the semiconductor deducting electricity; instead, the patentee dictionary, i.e., any structure capable of conentee did not use the term "conductors" in patent: Col. 7, 11. 3-7; '764 patent: Col. 6, gration into substantially any circuit." '027 ment of leads ... can be provided for intecustomer's specification so that any arrangewires can subsequently be cut away to a discussing these completed devices, the specconductors extending from the device. made by the claimed processes, with the pleted encapsulated semiconductor devices Figure 8 of each patent illustrates the comports the district court's claim construction ments, slip op. at 10 n.6. The court did not vice to an external circuit." Texas Instruthe claims as the term is defined in the ification states that "the respective conductor err in so construing the claims. that "extend from inside the package to the 11. 54-58 (emphasis added). Thus, the patused the term in the claims to mean leads

stantial evidence to support a finding of litcourt's claim construction, it presented subdie to ground. According to TI, this current path protected the die from static elecductive, continuous current path from the electrically conductive adhesive; in turn, the chanically attached to the die pad with an ported by the "die pad," which acted like a eral infringement. TI argues that during witnesses supports this theory. TI contends that the testimony of its exper tricity during assembly and encapsulation frame to an external ground, forming a condie pad was connected through the lead lation, the semiconductor device was melegedly demonstrates that, during encapsu-"conductor." II relies on evidence that alfendants, the semiconductor device was supthe encapsulation processes used by the de-[7] TI asserts that even accepting the

ing the defendants' encapsulation processes that the die pad acted as a "conductor" dur-We have carefully considered TI's evidence

one face of a semiconductor water to one of said conductor strips in the central region. claim 16 also requires "conductively connecting

TEXAS INSTRUMENTS v. CYPRESS SEMICONDUCTOR CORP. Cite as 90 F.3d 1558 (Fed. Cir. 1996)

ductor device was connected to a conductor capsulation, TI failed to provide evidence package to outside the package during enevidence. Although TI's experts testified to an external circuit, i.e., that the device was ny to support a finding of infringement under tricity. TI's attempts to recast the testimomeaning anything capable of conducting eleccapable of conducting current, and that it that "the die pad is a conductor, that it is One of TI's experts, McAlexander, testified an external circuit, as required by the claims. that the defendants connected the die pad to that the die pads used by the defendants in have found literal infringement based on this and we do not believe a reasonable jury could that extended from the device for connection dants used a process in which the semicon-TI failed to present evidence that the defenthe proper claim construction are to no avail TI's construction of the term "conductor" as functions as a conductor." However, McAtheir processes extended from inside the lexander's testimony was solicited based on

external circuit in their final products, TI did a "conductor" under the court's claim conevidence supports a finding of literal inon the lack of literal infringement of claims stead, TI presented evidence that the die pad not submit evidence establishing that the die have electrically connected the die pad to an sented evidence that the defendants may struction. We disagree. Although TI from inside to outside the package in the nection to an external circuit. Therefore, that extended outside the package for conmanufacture as required by the claims. Inpad itself extended outside the package after fringement of claims 12 and 16 because the 12 and 16. thus agree with the district court's conclusion final encapsulated product, no reasonable because the die pad itself did not extend was connected via a whisker wire to a lead die pad in the final packaged product acts as 'conductor" in the accused processes. jury could have found that the die pad was a Alternatively, TI argues that substantial -ard

5. As we construe these claims, the die pad does not constitute a "conductor" and therefore does

- b. The "Device Being Disposed on One Side of the Plane Formed by the Conductors" Limitation of Claim 14 of the '027 Pat-
- same plane, except for minor deviations." court instructed the jury that this language ty of conductors arranged in a substantially offer any evidence that defendants' processes reasonable jury could have found literal asserts that substantial evidence supports was entirely on one side of the die pad, TI therefore was in the "substantially common slightly depressed from the conductors and sented evidence that the die pad was only this claim. Instead, TI argues that it precontest the court's instructions regarding by the conductors." On appeal, TI does not the claims require placing "the entire device The court further instructed the jury that requires that "the conductors must be on the disposed on one side of said plane." The provided electrical connections thereto being common plane, said device and the thusly met the claim limitation requiring "a pluralifringement of the claim because TI failed conductor," the district court held that no does not require "connecting the device to a plane." Because the semiconductor device ... entirely on one side of the plane formed [8] Although claim 14 of the '027 patent

pad below the substantially common plane semiconductor device was attached to the die formed by these conductors. Because the entirely on one side of the plane formed by device, when attached to the die pad, was low the die pad so that the semiconductor tions so as to form a "substantially common on the same plane except for minor deviators" used in the defendants' processes were below the fore, the die pads were depressed 10-15 mils that the defendants' die pads were depressed the conductors.⁵ In fact, both parties agree formed by these "conductors" extended bethat the "substantially common plane" plane." TI presented no evidence, however, 10-15 mils below the "conductors." Thereformed by the conductors, the court properly Neither party disputes that the "conduc-"substantially common plane"

plane" of conductors. not assist in forming the "substantially common

of lack of infringement with respect to claim have found literal infringement of claim 14. 14 of the '027 patent. Hence, we agree with the court's conclusion determined that no reasonable jury could

The Doctrine of Equivalents

erred in granting the defendants' JMOL moequivalents. In particular, TI argues that the jury's verdict of infringement. TI presented sufficient evidence to support ther, TI argues that even if our court did not Hilton Davis overruled Lear Siegler. Furasserting that our recent in banc decision in set forth in our decision in Lear Siegler, larized testimony and linking argument," as the district court erred by requiring "particufinding of infringement under the doctrine of tion because substantial evidence supports a eliminate this requirement in Hilton Davis, [9] TI also argues that the district court

es, assessed according to an objective stan-dard." Hilton Davis, 62 F.3d at 1518, 35 to show the substantiality of the differences. S.Ct. 854, 94 L.Ed. 1097 (1950) often sufficed uct or process and the claimed invention are er the differences between the accused prodmay be relevant to the determination wheththan unexplained subjective conclusions" sole test for equivalency. Id. Instead, we plied in Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co., 339 U.S. 605, 70 nized that the function, way, result test ap-USPQ2d at 1645. In doing so, we recogthe substantiality of the differences between tion of the doctrine of equivalents rests on stated that other "objective evidence rather the function, way, result test was not "the" the claimed and accused products or process-1646 (emphasis added). Such evidence may insubstantial. Id. at 1519, 35 USPQ2d at Id. However, we further acknowledged that In Hilton Davis, we held that "the applica-

 TI further argues that the defendants' pre-ver-dict JMOL motion did not allege failure of T1's proof or argument concerning the doctrine of equivalents. Thus, under Federal Rules of Civil Procedure Rule 50, TI contends that the defendants failed to preserve the issue for purposes of the post-verdict JMOL motion. We rejected this argument in Malta v. Schulmerich Carillons, Inc., 952 F.2d 1320, 21 USPQ2d 1161 (Fed.Cir.1991). pre-verdict motion requesting a directed verdict cert. denied, 504 U.S. 974, 112 S.Ct. 2942, 119 L.Ed.2d 566 (1992), where we held that an oral

that the doctrine of equivalents was "not the and designing around. Thus, we recognized to one of ordinary skill in the art, copying include evidence of known interchangeability prisoner of a formula" and "the available rel Id. at 1518, 35 USPQ2d at 1645. evant evidence may vary from case to case."

at 1516, 35 USPQ2d at 1644. Consequently, to prove infringement under the doctrine of restate—not to revise—the test for infringe-Corp. v. Durand-Wayland, Inc., 838 F.2d nate the need to prove equivalency on a equivalents. In particular, we did not elimispecific evidentiary requirements necessary rule our prior decisions that addressed the we did not, as the defendants contend, overment under the doctrine of equivalents." ton Davis] case presents an opportunity to cite or even discuss Malta or Lear Siegler. S.Ct. 2942, 119 L.Ed.2d 566 (1992). (Fed.Cir.1989); Malta v. Schulmerich Cariltress Co., 873 F.2d 1422, 10 USPQ2d 1767 ment." See Lear Siegler, Inc. v. Sealy Mat-Mfg., Inc., 73 F.3d 1573, 1582, 37 USPQ2d 108 S.Ct. 1226, 99 L.Ed.2d 426 (1988); 7 see 1987) (in banc), cert. denied, 485 U.S. 961, 931, 935, 4 USPQ2d 1737, 1739-40 (Fed.Cir. limitation-by-limitation basis. See Pennwalt the doctrine of equivalents is simple to articthough the standard for infringement under ments in those earlier cases because, Our court set forth these evidentiary require majority opinion in Hilton Davis does not (Fed.Cir.1991), cert. denied, 504 U.S. 974, 112 lons, Inc., 952 F.2d 1320, 21 USPQ2d 1161 "particularized testimony and linking argudent requiring equivalency to be proven with Hilton Davis). Nor did we overrule prece-Pennwalt rule after our in banc decision in 1365, 1373 (Fed.Cir.1996) (applying the also Athletic Alternatives, Inc. v. Prince However, we further stated that "[the Hil-

support a post-verdict motion concerning on the issue of noninfringement was sufficient to USPQ2d at 1164. We hold similarly here. doctrine of equivalents. 952 F.2d at 1324-25, 21

cites Pennwalt on several occasions as support for the "insubstantial differences" standard. E.g., Hilton Davis, 62 F.3d at 1517, 35 USPQ2d at 1645. fact, the majority opinion in Hilton Davis

applying the doctrine of equivalents, erase a ulate, it is conceptually difficult to apply. These evidentiary requirements assure that public is entitled to rely in avoiding infringeplethora of meaningful structural and functhe fact-finder does not, "under the guise of ment." Pennwall, 833 F.2d at 935, tional limitations of the claim on which the

USPQ2d at 1739 (quoting Perkin-Elmer Corp. v. Westinghouse Elec. Corp., 822 F.2d finder has no analytical framework for makover, without these requirements, the factequivalents]." Lear Siegler, 873 F.2d at mine infringement under the doctrine (of guiding charts when called upon to detering its decision and is "put to sea without 1528, 3 USPQ2d 1321 (Fed.Cir.1987)). Morebasis for applying the doctrine of equivalents. ance that the jury was fully presented with a as the reviewing court, would lack the assur-1426, 10 USPQ2d at 1770. In addition, we,

ences" between the claimed invention and the ment as to the "insubstantiality of the differparticularized testimony and linking arguour precedent, a patentee must still provide did not overrule Lear Siegler. Pursuant to determined that our decision in Hilton Davis dence is presented to support a finding of accused device or process, or with respect to lents. Such evidence must be presented on a infringement under the doctrine of equivathe function, way, result test when such eviuct or process will not suffice. the claims and the accused infringer's prodtestimony as to the overall similarity between limitation-by-limitation basis. [10, 11] Hence, the district court properly Generalized

dustries Inc. v. West Bend Co.; 76 F.3d 1185 ruled Lear Siegler. In National Presto Inthe in banc decision in Hilton Davis overfrom this court supports its argument that 37 USPQ2d 1685 (Fed.Cir.1996), a panel of specific formulation of evidence and argudecision in Hilton Davis made clear that no this court stated that "The court's en banc ment us TI argues that a recent panel decision $required \dots$ [I]ndeed, neither

8. In this case, the court charged the jury only as to the function, way, result test for purposes of alents. In particular, the instruction provided finding infringement under the doctrine of equivthe '027 or '764 patents under the doctrine To find that Cypress, LSI and VLSI infringed

Lear-Siegler nor Malta requires any particu-USPQ2d at 1688 lar formulation." 76 F.3d at 1191, 37

second guess it. However, National Presto case, it is not the province of this panel gument as to each prong of the function, way, and linking argument cannot generally result test was not required in that particular that particularized testimony and linking arrequired in a doctrine of equivalents analysis, did not hold that particularized testimony until overturned in banc."), cert. denied, 493 U.S. 814, 110 S.Ct. 62, 107 L.Ed.2d 30 (1989). precedent on subsequent panels unless and decisions of a panel of the court are binding Cos., Inc. v. Kenney Mfg. Co., 364 F.2d 757, decisions in Lear Siegler and Malta. Newell 765, 9 USPQ2d 1417, 1423 (Fed.Cir.1988) because it cannot overrule the prior panel particularized testimony and linking arguton Davis is not to the contrary. As demonstrated above, our decision in $H\dot{u}$ -("This court has adopted the rule that prior ment are still important in a jury case. To the extent that National Presto decided

under the doctrine of equivalents.8 dence to support a finding of infringement court that TI failed to present sufficient eviliteral infringement under TI's improper er, was solicited for purposes of establishing majority of McAlexander's testimony, howevtestimony of its two expert witnesses, McAtempts to support the jury's verdict with the argument on the doctrine of equivalents canof equivalents. See Lear Siegler, 873 F 2d to establish infringement under the doctrine not purport to and therefore was insufficient terpretation of the term "conductor"; it did lexander and Seiling. The overwhelming cesses were the "same" and performed the literal infringement."). In addition, McAlexnot merely be subsumed in plaintiff's case of 1425, 10 USPQ2d at 1770 ("The evidence and the accused processes and the claimed proander's testimony that the "conductors" [12] Here, we agree with the district Þ Ħ

equivalents, you must find that Cypress, LSI elements recited in the corresponding claim of to produce substantially the same results as the same function, in substantially the same way and VLSI's processes perform substantially the the '027 or '764 patent

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timony as to overall similarity. Thus, he did ing the equivalency of the claim limitations in not provide particularized testimony regard-"same function" was merely generalized tesfinding that the differences were "insubstandispute, and his testimony cannot support a

Seiling testified, in conclusive fashion, that trict court stated, "[t]here [was] no discusclaim construction, met the Graver Tank the accused processes, under the proper timony was insufficient because, as the disfunction, way, result test. However, his tes-CV1590-H, slip op. at 17, 1995 WL 811944 ent." Texas Instruments Inc. v. Cypress ductive function of the conductor in the patthe same, especially with respect to the conexplaining why the function and result (were) nor [was] there any particularized testimony operates [was] similar to the patent claim, sion of whether or how the way the die pad Semiconductor Corp., Civ. No. (N.D.Tex. Sept. 6, 1995). Seiling's testimony also was insufficient

affirm the court's grant of JMOL on this to support a finding of infringement under that TI failed to present evidence sufficient the doctrine of equivalents. Therefore, we in sum, we agree with the district court

should be given no collateral estoppel effect);

Corning Glass Works v. United States Int'l

Issue Preclusion

given preclusive effect. See In re Certain affirmance of that determination should be same processes, infringed claims 12 and 14 of finding that the same defendants, using the Plastic Encapsulated Integrated Circuits, the '027 patent, and that our subsequent properly given to determinations made in a support, TI contends that preclusive effect is 1165, 26 USPQ2d 1018 (Fed.Cir.1993). In United States Int'l Trade Comm'n, 988 F.2d (Nov. 1992), affd, Texas Instruments Inc. v. Inv. No. 337-TA-315, USITC Pub. No. 2574 also asserts that the district court erred in federal agency's adjudicatory capacity. TI next argues that the ITC's previous

prior decision concerning patent infringement or issue preclusion. We recently held that an ITC's validity cannot have claim preclusive effect in Our analysis here is limited to the doctrine of

the prior ITC holding. failing to permit the jury to be informed of

actually litigated and determined by a valid mean that "[w]hen an issue of fact or law is (or collateral estoppel) has been defined to is conclusive in a subsequent action between essential to the judgment, the determination vexation of multiple lawsuits, conserve juditrine is to "relieve parties of the cost and MENTS § 27 (1982). The purpose of the docent claim." RESTATEMENT (SECOND) OF JUDGand final judgment, and the determination is cation." Allen v. McCurry, 449 U.S. 90, 94 cial resources, and, by preventing inconsisthe parties, whether on the same or a differ-Elliott, 478 U.S. 788, 797-98, 106 S.Ct. 3220. when, as here, the agency acted in a judicial be given preclusive effect in a federal court 101 S.Ct. 411, 415, 66 L.Ed.2d 308 (1980). tent decisions, encourage reliance on adjudi-U.S. 394, 422, 86 S.Ct. 1545, 1560, 16 L.Ed.2d States v. Utah Constr. & Mining Co., 384 capacity. See University of Tennessee v. The decision of an administrative agency may agency decision, issued pursuant to a statute, 642 (1966). However, an administrative 3225-26, 92 L.Ed.2d 635 (1986); either expressly or impliedly, indicated that cannot have preclusive effect when Congress, [13, 14] The doctrine of issue preclusion 9 Loan Ass'n v. Solimino, 501 U.S. 104, 110, it intended otherwise. Astoria Fed. Sav. & 111 S.Ct. 2166, 2170-71, 115 L.Ed.2d 96 United

ed States Int'l Trade Comm'n, 831 F.2d 1017

preclusive effect. See Tandon Corp. v. Unit-

effect in cases before such courts.

section 337, as amended, of the Tariff Act of ings were commenced before the ITC under equitable defenses, including patent invalidiplead, and the ITC to consider, all legal and Congress passed the Trade Reform Act of 1930. 19 U.S.C. § 1337 (1994). In 1974, Act of 1974). In authorizing the Commission F.2d 1572, 1576-79, 231 USPQ 32, 35-36 Co. v. United States Int'l Trade Comm'n, 799 ty and unenforceability. See Lannom Mfg. 1974, amending the Tariff Act of 1930 to (Fed.Cir.1986) (discussing the Trade Reform [15] Here, the administrative proceedrespondents in ITC proceedings to

> of 1982, Pub.L. No. 97-164, 96 Stat. 25 determinations, do not compel a different

rule. See Federal Courts Improvement Act

al Circuit in appeals from the ITC and dis-

trict court patent cases) (codified at 28 (granting appellate jurisdiction to the Feder-

10. Moreover, allowing prior ITC decisions on itiveness Act of 1988, Pub.L. No. 100-418, U.S.C. § 1295); Omnibus Trade and Compet-

patent infringement questions to have preclusive effect would potentially deprive the parties of their Seventh Amendment right to a jury trial on

the issue of infringement.

But cf. Parklane

Genentech, Inc., 80 F.3d 1553, 38 USPQ2d 1321 district courts. Bio-Technology General Corp. v

> to consider these defenses, Congress cau-[I]n patent-based cases, the Commission considers, for its own purposes under sec-102 Stat. 1107 (1988) (modifying ITC proce-

S.Rer. No. 1298, 93d Cong., 2d Sess. 196 (1974), reprinted in 1974 U.S.C.C.A.N. 7186, decisions of the ITC on patent issues to have have stated that Congress did not intend seems clear that any disposition of a Cornmission's findings neither purport to be, to the claims of U.S. patents. The Comtion 337, the status of imports with respect pretations of the U.S. patent laws in parnor can they be, regarded as binding internot have res judicata or collateral estoppel mission action by a Federal Court should Based on this legislative history, we Therefore, guay Round Agreements Act, Pub.L. No. dures) (codified at 19 U.S.C. § 1337); Uraprocedures and provided the ITC with the nations) (codified at 19 U.S.C. § 1337) strict statutory time limits for ITC determisive effect of ITC determinations or indicated tive histories dealt with the possible precluthese statutory amendments or their legisladistrict courts deciding patent issues, none of same appellate court of review as that of While those changes have modified some ITC 103-465, 108 Stat. 4809 (1994) (removing clusive effect in other forums has not tion in 1974. Thus, the rule that decisions of an intent contrary to Congress's stated intenthe ITC involving patent issues have no pre-

ticular factual contexts.

sive effect to ITC determinations and to our panels of this court are similarly not free that bear on cases before them. Subsequent are not free to ignore holdings of this court sions. That is not correct. District courts trict courts would be free to ignore our decidecisions in appeals from ITC decisions, disignore precedents set by prior panels of the TI also argues that by our denying preclu-

eration by other tribunals."). See also Texas

Instruments Inc. v. United States Int'

the Commission does not estop fresh consid-("[O]ur appellate treatment of decisions of 1019, 4 USPQ2d 1283, 1285 (Fed.Cir.1987)

Trade Comm'n, 851 F.2d 342, 344, 7 USPQ2d

1509, 1510 (Fed.Cir.1988) (stating that ITC

ever defenses they believe are justified, recases brought before them, it necessarily folat least since 1986, that ITC decisions are lows that accused infringers can raise whatnot binding on district courts in subsequent can attribute whatever persuasive value to them and lost in the ITC. The district court gardless whether they previously raised own precedents, and, to the extent that we sion. As a court we are bound to follow our fied. And we, on appeal, must be free to the prior ITC decision that it considers justito deviate from that prior holding, short of quent panel will have powerful incentives not have previously ruled on a matter, a subsethoroughly review the district court's decithoroughly justified grounds. However, once we accept, as we have done

in district courts).

formation of this court as the exclusive appel-

Recent changes to ITC procedures and the

late court for patent cases, including ITC

that ITC decisions have no preclusive effect ing that the legislative history of the Trade 230 USPQ 822, 830 n. 12 (Fed.Cir.1986) (stat-Trade Comm'n, 799 F.2d 1559, 1570 n. 12,

Reform Act of 1974 supports the position

siery Co. v. Shore, 439 U.S. 322, 335-37, 99 S.Ct. 645, 653-55, 58 L.Ed.2d 552 (1979) (application of collateral estoppel to a legal action based on an equitable determination does not violate Seventh Amendment right to a jury trial).